

Redbourn Housing Needs Assessment (HNA)

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Quality information

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List of acronyms used in the text:

AH	Affordable Housing (NPPF definition)
AMH	Affordable Market Housing
HNA	Housing Needs Assessment
HNF	Housing Need Figure
Housing LIN	Housing Learning and Improvement Network
HRP	Household Reference Person
LHN	Local Housing Need
LPA	Local Planning Authority
LQAR	Lower Quartile Affordability Ratio
LTHPD	Long-Term Health Problem or Disability
MAR	Median Affordability Ratio
MH	Market Housing
MHCLG	Ministry for Housing, Communities and Local Government (formerly DCLG)
NA	Neighbourhood (Plan) Area
NDO	Neighbourhood Development Order
NDP	Neighbourhood Development Plan
NP	Neighbourhood Plan
NPPF	National Planning Policy Framework
ONS	Office for National Statistics
PPG	Planning Practice Guidance
PRS	Private Rented Sector
RQ	Research Question
SACDC	St Albans City and District Council
SHLAA	Strategic Housing Land Availability Assessment
SHMA	Strategic Housing Market Assessment
VOA	Valuation Office Agency

1. Executive Summary

Key findings

1. The following headline findings may form the starting point for housing policies in the Redbourn Neighbourhood Plan. Please refer to the relevant section of the document for commentary on the implications and potential limitations with these conclusions, which should be kept in mind when drafting policy. It is also important to note that the secondary data presented and calculated in the HNA should be interpreted alongside the community's objectives and any other primary data. There is no obligation to cite these conclusions within policies exactly as drafted, and in some cases it can be helpful to be less prescriptive than this to allow for flexibility in the application of policies.
 - There is expected to be a surplus of affordable rented housing in Redbourn over the long-term. However, there is currently a backlog of need of approximately 31 units, St Albans has a large need which Redbourn may be required to contribute towards, and financial circumstances may well change, so continued provision of this tenure is advised.
 - It is estimated that 10 households per year may become interested in affordable home ownership options, such as shared ownership.
 - The recommended tenure mix within Affordable Housing is 70% affordable rent and 30% affordable home ownership.
 - There may also be scope for the Neighbourhood Plan to set the proportion of all new housing that should be affordable because of the relative age of St Albans policy in this area. Because the total need or requirement for housing in Redbourn is not known, the HNA does not advise on this proportion. In any case this is something that should be discussed with the Local Planning Authority in the first instance.
 - The recommended dwelling size mix by number of bedrooms is as follows. However, it may be appropriate to give a less prescriptive mix – i.e. by rounding these figures up or down, giving them in the form of a range, or simply requiring that more than half of new dwellings have either 2 or 3 bedrooms (the key sizes needed going forward).
 - 1 bed – 16%
 - 2 bed – 24%
 - 3 bed – 44%
 - 4 bed – 5%
 - 5+ bed – 11%
 - Between 75 and 98 units of specialist housing for older people might be needed in Redbourn by 2036 to accommodate the ageing population.
 - However, making new housing more accessible and adaptable would reduce this need, and some of these households might be willing or would prefer to move to one of the neighbouring larger towns to access more plentiful services or be closer to family members.
 - At least 24% but ideally 30-35% of this specialist accommodation should be offered for affordable rent.

Conclusions – tenure and affordability

Affordability issues and tenure options

2. Redbourn had, at the time of the 2011 Census, higher rates of home ownership and social renting, along with a significantly lower rate of private renting, than St Albans. Since the rate of ownership is much higher in St Albans than England as a whole, Redbourn's rate of ownership is significantly above the national average, and the proportion of private renting in the Neighbourhood Plan area (NA) is around half of the national average. Although shared ownership still exists at a higher proportion in Redbourn than St Albans, at just 14 units in 2011 it has capacity to grow.
3. Between 2001 and 2011 the number of households renting from a private landlord increased dramatically from 65 to 187 households. This trend tends to be a product of the declining affordability of home ownership – either because of rising house prices or stagnating incomes. It is much more notable in Redbourn than it was across the district or country as a whole.

4. There has been a smooth, steady increase in house prices over the decade with the exception of mild dips in 2012 and 2018. The overall average price for 2019 is 51% higher than the overall average for 2010. It appears that terraced homes have appreciated by the greatest amount, though this may be due to a particularly low figure for 2010.
5. This overall picture suggests that the affordability of home ownership is becoming increasingly out of reach in Redbourn, which aligns with the finding above that private renting has becoming a far more popular option over time. The average flat costs just under £275,000, suggesting that this option could remain achievable for young people, but terraced housing that might suit young families with children is far more expensive at an average of just under £440,000. Semi-detached and, to a greater extent, detached housing remains within reach of only the wealthiest households.
6. AECOM has determined thresholds for the income required to buy a home in the open market (average and entry-level prices), and the income required to afford private rent and the range of Affordable Housing tenures as set out in the National Planning Policy Framework (NPPF). The income required to afford the different tenures is benchmarked against three measurements of household income in Redbourn and its environs. These are the average total household income at £54,000 (for a slightly wider area than the NA) and the lower quartile gross earnings for single-earners at £16,933 and dual-earning households at £33,866 (both for St Albans as a whole).
7. It is apparent that the income required to buy an average market home for sale is more than double what would be available to those on average household incomes. The income required to buy an average entry-level home for sale is still significantly above the average income and nearly three times the spending capacity of a household with two lower quartile earners.
8. Market rents are just affordable to average earning households, but even the average entry-level (2 bedroom) rental price is higher than what a household with two lower quartile earners could afford. Households in which there is only one lower quartile earner appear unable to afford any tenures other than social rent. Many such individuals will, if unable to secure a small social rented dwelling, need to live in a room in a shared house using housing benefit.
9. Households with incomes between £49,000 and £97,000 are able to rent in the market but unable to buy. These households may benefit from affordable home ownership options. While such products would extend home ownership to more people, they would be assisting only very high earners since no other households have a realistic chance to afford them. The discount on the average market sale price required to enable households on average incomes to afford to buy is 57%. For a dual lower quartile earning household, a discount of 73% would be required.
10. These discount levels may not be realistically achievable, so the government's new First Homes products would likely only reach above-average earners or be appropriate for small or dense housing types. However, shared ownership products at low equity shares and rent to buy (if this option is deliverable locally) might widen housing access to a slightly wider group if viable.
11. The discouraging evidence summarised above about affordable home ownership products is derived from calculations using overall or entry-level average house prices. Such averages naturally disguise a variety of possibilities, and it remains plausible that smaller homes, particularly flats, could be delivered at price levels that would be affordable to average and below-average earners in Redbourn. The 2020 South West Hertfordshire Local Housing Needs Assessment (LHNA) target price ranges for discounted market housing serve as a good guide, and show that 1 bedroom properties might be sought at a discounted price of as low as £190,000 if this proves to be viable and these ranges are utilized by SACDC.

Quantity and type of Affordable Housing needed

12. When calculations presented in the LHNA are pro-rated to Redbourn based on its share of the population (3.7% of St Albans's population as of mid-2019), Redbourn can be assumed to have a need for 14 affordable rented homes and 16 affordable home ownership dwellings each year to 2036.
13. However, pro-rating Local Authority level estimates of Affordable Housing need presents problems in practice. The Local Authority level figures are likely to smooth over differences in need between urban and rural areas, where the size of the housing stock and numbers of households living in the private rented sector on housing benefit differ greatly.
14. This report therefore provides alternative calculations that are specific to Redbourn as far as possible. When the future need for affordable rented housing is modelled, the result suggests Redbourn will have a surplus of 7 units per year going forward. This is initially surprising given the fact that there are currently estimated to be around 31 households in need, and in light of the LHNA conclusions referenced above.

15. However, what this model is saying is that the estimated quantity of newly arising need each year is likely to be satisfied by turnover in the existing stock. We assume that roughly 3% of the occupants of Redbourn's social rented stock will vacate their property in any given year, as they move to a new location, pass away, or cease to become eligible as their income rises. This is theoretically enough to satisfy current need (the 31 households are built into the model) and expected newly arising need each year.
16. In practice, it would be better to frontload any future Affordable Housing provision to meet current outstanding needs as soon as possible, leaving newly arising need in future to be met by turnover in the existing stock. Furthermore, there is a clear need for Affordable Housing across the district as a whole, and it is reasonable to expect Redbourn to satisfy some of that need (whether from local households or those elsewhere in the district). Note that this conclusion relates to affordable rented housing that is made available to eligible households on the waiting list, and therefore can be assumed to always be affordable to those households.
17. As such, it is recommended that Redbourn seeks to deliver as much Affordable Housing as possible, with the understanding that if this results in oversupply in future years, the vacancies created when existing occupants leave their properties may need to satisfy new need from elsewhere in the district if Redbourn's households are already accommodated.
18. Turning now to Affordable Housing providing a route to home ownership, we estimate that around 10 households per year may be interested in affordable home ownership. This is not dramatically lower than the LHNA estimate. The model aims to estimate the number of households who can rent but can't buy on the basis of their incomes. It is important to remember that there may be other barriers to these households accessing home ownership on the open market, including being unable to save for a deposit, or being unable to afford a home of the right type/size or in the right location.
19. It is also important to keep in mind that the households identified in this estimate are, by and large, adequately housed in the private rented sector. They do not lack their own housing but would prefer to buy rather than rent. They have been included in the national planning definition of those in need of Affordable Housing, but their needs are less acute than those on the waiting list for affordable rented housing.
20. The Parish Council may wish to develop policies in relation to the delivery of Affordable Housing within Redbourn. St Albans's existing policy on this subject is provided in its Supplementary Planning Guidance, where 35% of all new homes on sites of 15 or more dwellings are expected to be delivered as Affordable Housing. This policy would apply in Redbourn, subject to sites coming forward for development with 15 or more dwellings. However, given its relative age there may be potential for Redbourn to develop its own policy guidance on this topic.
21. There may also be potential for the Neighbourhood Plan to influence the mix of Affordable Housing tenures that come forward within the overall total.
22. The LHNA findings appear to suggest a broadly equal need for rented and ownership products. However, because those seeking ownership have far less acute needs, the LHNA advises that as much affordable rented housing should be secured as viability allows. It recommends that 85% of Affordable Housing in St Albans consist of rented tenures, with the remaining 15% as affordable home ownership.
23. Likewise, although the HNA estimates suggest that there is no need for rented Affordable Housing, leaving affordable home ownership to be prioritised fully, there are a number of counter-arguments in this case. These include the overall scale of rented need across the district, the current backlog of rented need in Redbourn, and the need to act prudently in case economic circumstances change or the assumptions for turnover used here are not borne out in practice. However, the most important evidence against prioritizing affordable home ownership is that all the potential options have been found to remain out of reach for the vast majority of local people, with average earners only benefitting if extremely generous discounts can be achieved.
24. As a result, this HNA recommends following the LHNA logic of prioritising affordable rented housing for those with the most acute needs to the greatest extent possible, while still allowing for some measure of affordable home ownership (and adhering to government requirements on this subject). A headline Affordable Housing tenure mix of 70% rented and 30% ownership is recommended. This suggestion should be considered, and amended if required, in light of the community's objectives. For example, while this balance might help to accommodate young families on lower incomes, it provides fewer options for retaining them should they wish to purchase their own homes in future.
25. The breakdown of suitable products within the affordable home ownership category may need to flex in response to national policy guidance that is currently being consulted on. Detail on the potential scenarios is provided in the main body of the report.

Conclusions – type and size

26. This study provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the NA or on any particular site. These include the characteristics of the existing stock of housing, the role of the NA or site within the wider housing market area (linked to any LA strategies or plans) and site-specific factors which may justify a particular dwelling mix.
27. Compared with St Albans, Redbourn has a much higher proportion of detached and slightly more semi-detached and terraced homes, with a lower proportion of flats. Redbourn's rate of bungalow provision, at 9% of all properties, is higher than that of St Albans, at 6%. The VOA data suggests that there is no significant undersupply of bungalows in Redbourn relative to the wider District, nor to the England average, which is 9.4%.
28. Comparing the size distribution of Redbourn's bungalows with the size distribution of all housing reveals that the bungalows are strongly skewed to the smaller end of the size spectrum. This is logical, since bungalows are understood to be occupied predominantly by older households who are less likely to have large families and therefore require fewer bedrooms. However, more diversity in the size options of bungalows in future development may be beneficial. In particular, 1 bedroom bungalows are understood to be not the preferred size for many older or disabled residents, given that there is little space for visitors or live-in support.
29. The housing stock by size in Redbourn is dominated by mid-sized homes with 4-6 rooms, and closely resembles the pattern of wider St Albans. Perhaps the most significant departure from the District trend is the slightly higher rate of homes in each category above 5 rooms in Redbourn. A majority of dwellings have 3 bedrooms, and Redbourn and St Albans share a similar overall mix except for a larger proportion of 4 bedroom homes in Redbourn.
30. 2011 Census data reveals that Redbourn had a particularly large segment of the population aged 45-84, with correspondingly lower proportions of the population falling into younger age bands – particularly in the 16-44 categories, when compared with St Albans and England. The 2011 age profile in Redbourn has been compared with 2019 estimates, but there is relatively little difference other than a 4 percentage point decline in the 25-44 age group and slightly higher proportions in other age groups. While the 85+ age group has only expanded by 1.1 percentage points, this represents a nearly 40% increase on raw numbers.
31. The large 65+ cohort is likely to reach retirement age over the Plan period and could become the largest source of demand for housing, whether they intend to occupy the same dwellings they currently live in, or perhaps move within the community to a home better suited to the size of their household or their evolving needs. A Demos survey conducted in 2013 found that 76% of older households occupying homes with three or more bedrooms might consider downsizing (see Specialist Housing chapter for further detail). Applying St Albans household projections to the Redbourn population suggests that all age groups below 55 are expected to decline by 2036, while older age groups increase substantially.
32. The results of a life-stage modelling exercise, which looks at the sizes of dwelling occupied by different age groups and projects the growth and decline of those age groups over the Plan period in order to understand what should be built, suggests that new development might benefit from a focus on medium and small sized dwellings (i.e. those with 2 and 3 bedrooms)
33. This will help to accommodate any unmet demand for smaller properties to which older households may wish to downsize, in the process vacating larger houses that might be occupied by families. An emphasis on smaller homes should also help to accommodate Redbourn's cohort of younger people who are currently not well served by housing options in the area. While home size is important in serving those households better, issues of affordability are likely to be more important (for example, the need to provide affordable rented housing and subsidized options providing a pathway to ownership). These issues are covered in the tenure and affordability chapter.
34. This recommended size mix is the result of a modelling exercise that depends on existing data, assumptions, and to a degree embeds existing trends. It should be used with a degree of caution, and could go hand-in-hand with more qualitative evidence about the needs of local people and the community's wider objectives. If these include a desire to attract and retain younger people, this baseline size mix could be further adjusted to favour smaller and more affordable homes.
35. Additionally, the occupancy preferences of households may have moved on since 2011 – particularly as a result of the shift to home working accelerated by the Covid-19 pandemic. Such trends are unfortunately not possible to quantify here, but could be incorporated at the policy-making stage by drawing on primary data or the views of the community.

36. In the Tenure and Affordability chapter analysis, it was found that market housing is unaffordable to most local people and that those on the lowest incomes are unable to afford to live outside of the social rented sector. While Affordable Housing should be well balanced in terms of size to cater for all circumstances, the provision of smaller homes for sale and rent, as advised here, should make an important contribution to improving affordability more widely. If older households wishing to downsize and younger ones seeking to form their own independent households are to be able to afford to live in Redbourn, increasing the provision of small and mid-size homes and, in so doing, rebalancing the housing stock away from generally larger housing, could be valuable.
37. This report does not provide a target state for the mix of housing types in Redbourn, since type is more a matter of wealth, taste and other factors than need in the strict sense. House type is also not so clearly correlated with life stage as house size, which was used to estimate the target size mix above. However, given the findings on affordability, it may be beneficial to plan for more of the higher density and lower cost types, such as terraces and flats.
38. It should be noted, given Redbourn's ageing population, that flats are just as capable as other housing typologies of accommodating older people with mobility issues, when the units and buildings are well-designed with their needs in mind (e.g. large lifts, wide corridors with turning space, and other features). In accordance with the findings in relation to specialist housing, the Neighbourhood Plan might influence the suitability of all new housing through ambitious accessibility and adaptability standards (which would apply to all home types).
39. There is also some potential for the Neighbourhood Plan to influence the characteristics of new homes beyond their size, type and tenure, for instance by encouraging flexible layouts for multigenerational living and home working. There is no secondary data for Redbourn specifically that can be gathered here to support this, but the priorities of the community as evidenced through a household survey would be sufficient justification to provide guidance on this subject. Evidence of trends affecting the country as a whole are also relevant. For more on this see the executive summary section on the potential impacts of the Covid-19 pandemic.

Conclusions – specialist housing for older people

40. The potential need for specialist housing with some form of additional care for older people can be estimated by bringing together data on population projections, rates of disability, and what tenure of housing the current 55-75 cohort occupy in the NA. This can be supplemented through the use of a toolkit based on national research and assumptions.
41. Two methods of estimating need for specialist accommodation for older people (such as housing with additional care services) produce a range of 75 to 98 specialist accommodation units that would be required to meet the needs of Redbourn's ageing population during the Plan period. Specialist accommodation units assume independent households, which might be composed of a single person or couple.
42. It is important to note that the scale of need for specialist accommodation heavily depends on the amount of accessible/adapted mainstream housing in Redbourn currently – or how far this can successfully be achieved in future. Note that there is no accurate secondary data on this. If the neighbourhood plan were to be particularly ambitious in requiring high standards of accessibility and adaptability, there is arguably less need to deliver specialist accommodation.
43. This evidence should be seen as the context for potential policy action. It is not realistic to expect this level of need can be delivered in full given the green belt constraints around Redbourn and the scale of this potential need in comparison with Affordable Housing as identified elsewhere in this report. It is also not necessarily desirable to deliver it in full given the range of amenities for older people available. But it provides a quantity to aim for if an older people's development aligns with the aspirations of the community, or as evidence to support alternative actions such as an ambitious policy on accessibility and adaptability.
44. If the community wish to maximise delivery of this housing type, a good first step might be to identify a suitable site (i.e. on level ground, close to public transport and other amenities) and promote it to developers of older people's housing. It may also be possible to work with the Local Authority to highlight this need and discuss options for rural exception sites aimed at older people if this can be achieved within the green belt constraints locally.
45. The balance between affordable and market tenures in the two estimates is 24% affordable and 36% affordable. The mid-range between these two percentages is 30%. This is a reasonable proportion of future specialist housing that should be affordable in Redbourn, given that it closely aligns with the overall Affordable Housing requirement for St Albans of 35%. This target should be monitored for viability if it is implemented. It is also worth noting that the LHNA evidence for St Albans as a whole points to a high degree of need for affordable specialist housing (62% affordable and 38% market), a finding that should also be taken into account when planning for any relevant developments in Redbourn in future.

46. While it is important to maximise the accessibility of all new housing, it is particularly important for specialist housing for older people to be provided in sustainable, accessible locations, for a number of reasons, as follows:
- so that residents, who often lack cars of their own, are able to access local services and facilities, such as shops and doctor's surgeries, on foot;
 - so that any staff working there have the choice to access their workplace by more sustainable transport modes; and
 - so that family members and other visitors have the choice to access relatives and friends living in specialist accommodation by more sustainable transport modes.
47. Alongside the need for specialist housing to be provided in accessible locations, another important requirement is for cost effectiveness and economies of scale. This can be achieved by serving the specialist elderly housing needs arising from a number of different locations and/or neighbourhood plan areas from a single, centralised point (i.e. what is sometimes referred to as a 'hub-and-spoke' model).
48. The 'hub-and-spoke' model is the idea that larger towns with more services and amenities, and fewer constraints on development, can provide more than their fair share of older people's housing so that more constrained villages with fewer services can accommodate less.
49. In AECOM's view, Redbourn is, in broad terms, a suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness above. As such, there is potential for such accommodation to be provided within the Neighbourhood Plan area. The most appropriate sites within the NA might be identified on the basis of their proximity to essential amenities such as public transport, doctors surgeries and shops. There are also benefits to integrating older people's housing closely within the wider community rather than in isolated positions. Finally, level-access streets with a low gradient are important for ensuring accessibility for less mobile individuals.
50. However, Redbourn's relative size and location mean it is more likely to act as a spoke, with Harpenden or St Albans acting as hubs. However, questions remain as to the capacity/willingness to provide extra in those other locations, and how far older people in Redbourn are sufficiently well served by public transport and other amenities, where their relatives and support networks live, and so forth.
51. Wherever specialist housing is to be accommodated, partnership working with specialist developers is recommended, so as to introduce a greater degree of choice into the housing options for older people who wish to move in later life.

Covid-19 and associated trends

52. It is not possible within the limited scope of this study to investigate the particular impacts of the Covid-19 pandemic and other associated trends on households within Redbourn specifically. There is no secondary data available on the specific impacts or preferences relating to this area in particular. However, a number of overall generalisations can be made which are likely to apply in Redbourn, and which could be drawn upon to justify policy directions in the Neighbourhood Plan:
- Preferences for locations from home buyers and renters may change in the short and medium term. Households may place higher value on more rural locations like Redbourn, for those who can afford it, based on their experience of spending more time at home and increasing values placed on access to outdoor space.
 - There may be a greater focus on the technology available in new homes (smart homes), including broadband quality, energy efficiency and air quality. This will matter in all tenures, but those with higher incomes and wealth will be able to exercise choice and may be prepared to pay more to secure these attributes. Local Authorities may wish to improve standards to secure these attributes in their new social housing stock, recognising the importance of these standards to the wellbeing of households who occupy these homes.
 - Similarly, increased time spent in the home and the likelihood that some workers will increase their tendency to work from home on a more regular basis may mean that many households desire more space within their homes. This space may be needed to work or study and ability to use homes flexibly is likely to become more important. Again, this matters in all tenures but those with higher incomes and resources and likely to be able to exercise choice in the market. In the private and social rented sectors, the availability of space in the home is closely linked to household size. The Government may come under further pressure

to remove the 'bedroom tax' to allow households in the social/affordable rented sector to occupy more space.

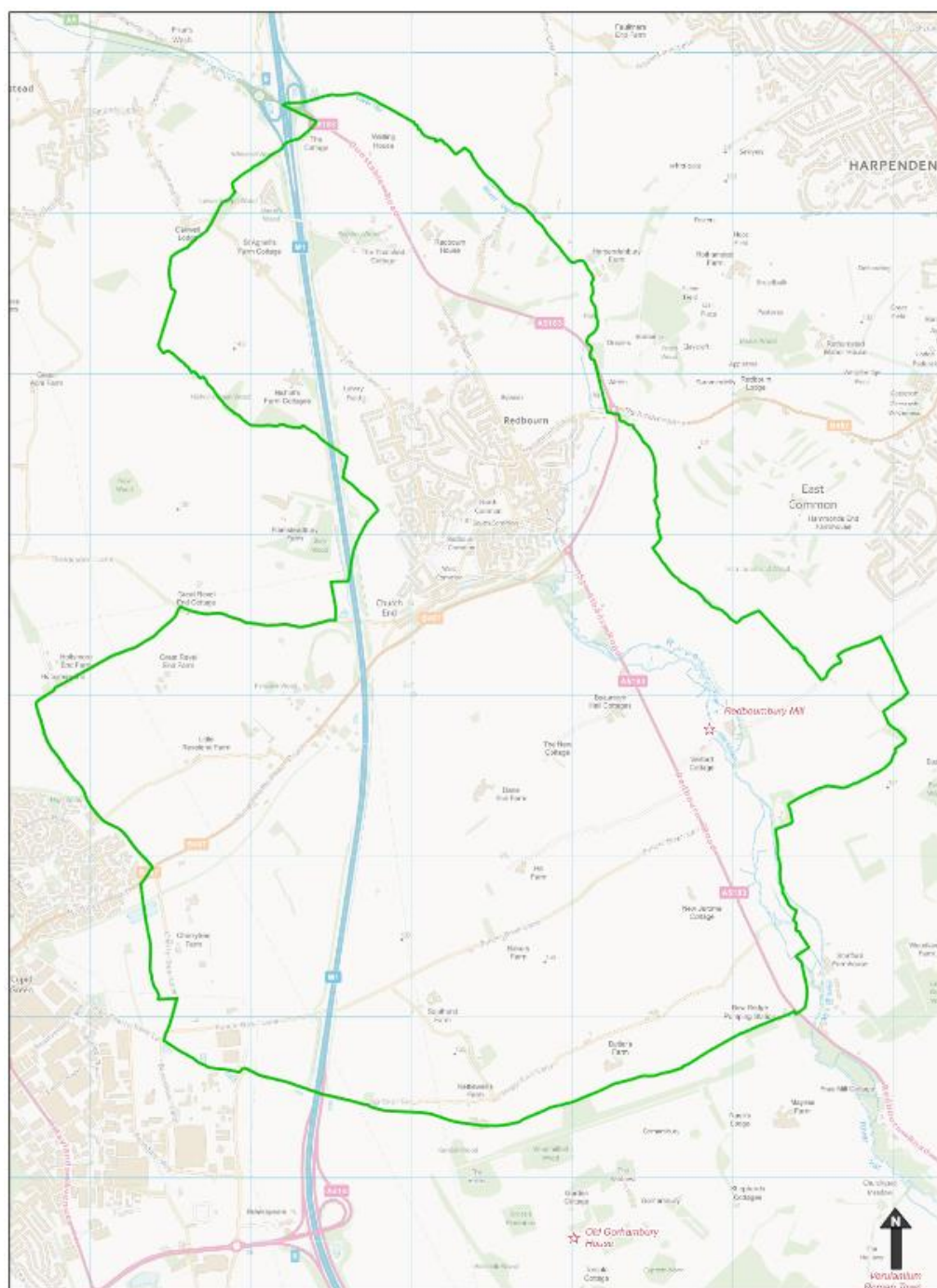
- Households and planners are likely to pay greater attention to green space, gardens and outdoor space and/or accessibility to nearest outdoor space. Some households may be able to afford to exercise choice in the homes they buy or move to; but planners will need to ensure that these attributes are available to households whichever tenure they occupy.
- Relatedly, there will be pressure to improve housing and environmental quality including air quality, space standards, tackling over crowding and ensuring access to green space for higher density housing.
- Public authorities have a short-term opportunity to tap into and grow community capacity which has been formed or revealed during the pandemic. Numerous neighbourhood support groups have been formed and there is likely to be demand to build and grow community centres in neighbourhoods. Community or neighbourhood centres in suburban areas and neighbourhoods outside of the town centre have the opportunity to thrive as more workers are based from home or work from home more frequently. Flexible work spaces and a mix of retail and community uses may be more sustainable and viable than in the past.
- The impact of Covid-19 on the economy and housing market may impact upon site viability. Sales rates among market homes following the stamp duty holiday are likely to be lower and certain segments (e.g. first-time buyer and mid-market) likely to have weak demand.
- Short term tenure shifts as demand for home ownership is constrained, increased demand for private renting and subsidised (rented) housing in the short term and likely to last as long as the economy remains depressed. Tenure shifts may be supported by Government funding to enable Registered Providers to buy up sites and stock from private developers to ensure delivery continues and to support economic recovery.
- Rising levels of unemployment and financial pressure, particularly on low income households. A large number of households in the private rented sector nationally are living precariously (struggling to afford their rents and living in relative insecurity on short term tenancies).

2. Context

2.1 Local context

53. Redbourn is a Neighbourhood Area located in the District of St Albans. The Neighbourhood Area (NA) boundary aligns with the existing boundary of Redbourn Civil Parish, and was designated in November 2013.
54. The proposed Neighbourhood Plan period extends to 2036 and is expected to begin in 2021, therefore comprising a planning period of 15 years. The evidence supplied in this report will look forward to the Plan end date of 2036. When tallying totals for the entire period, it will assume a period of 15 years but also provide annualised figures which can be extrapolated for a different term length if the Plan start date changes.
55. The parish includes the village of Redbourn and its surrounding rural areas. It is located approximately 5 miles to the north-west of the centre of St Albans and 3 miles to the west of Harpenden. The M1 motorway passes through the parish and can be accessed at junction 9 (at the north edge of the NA boundary) for access to Luton to the north and London to the south. The nearest train station is at Harpenden.
56. The village is surrounded by Green Belt and parts of the High Street, Common and Church End are within a designated conservation area. The majority of recent development has taken place on former farmland on the edge of the village. Redbourn offers a range of amenities including the Parish Centre, Redbourn Common, a museum, play areas, allotments, two pubs and a number of small businesses.
57. For Census purposes, the NA is made up, like the rest of England, of statistical units called Output Areas (OAs). The Plan area equates to the Lower Super Output Areas (LSOAs) E01023723 and E01023724, which cover the most built up areas of the village, along with six further OAs, covering larger but more sparsely populated rural areas to both the north and south. These are as follows:
 - 26UGGL0004
 - 26UGGL0005
 - 26UGGL0007
 - 24UGGL0002
 - 24UGGL0015
 - 24UGGL0017
58. The combination of these two LSOAs and six OAs has been used as a statistical proxy for the NA boundary for the 2001 Census. The 2011 Census captured data at parish level, so the parish of Redbourn has been interrogated for data from the 2011 Census.
59. A map of the Plan area appears below in Figure 2-1.
60. The statistics show that in the 2011 Census the Neighbourhood Area had a total of 5,344 residents, formed into 2,199 households, and occupying 2,274 dwellings. There is understood to have been a relatively significant quantity of new development in the parish since this date. While SACDC were unable to provide precise data on completed dwellings between 2011 and the time of writing, other data sources provide an indication of current population figures.
61. The Office for National Statistics (ONS) produces mid-year population estimates for parishes throughout the country. The mid-2019 population estimate for Redbourn parish was 5,548, indicating population growth of around 200 individuals since 2011. The Valuation Office Agency (VOA) counts the stock of properties according to council tax banding and other measures in various areas. However, this data is only provided for LSOAs and their higher-scale equivalents (MSOAs – Medium Super Output Areas). Because Redbourn is made up of a combination of LSOAs and OAs, it is not possible to recreate the NA boundary using this dataset in order to estimate the current number of dwellings overall.
62. These more recent data sources will be used wherever possible in this report. However, Census datasets providing, for example, the breakdown of households by age or the tenure of each household cannot be accurately brought up to date and such patterns are instead assumed to persist to the present day.

Figure 2-1: Map of the Redbourn Neighbourhood Area¹



Source: SACDC 2013

63. The Parish Council is interested in exploring the need for Affordable Housing for sale (also known as affordable home ownership) and are therefore eligible for support under the Affordable Housing for sale element of the Neighbourhood Planning Technical Support programme. Analysis and commentary on this issue has been provided where relevant and possible in the HNA.

¹ Available at <https://www.StAlbans.gov.uk/Planning/Neighbourhood.aspx>.

2.2 Planning policy context

65. In line with the Basic Conditions² of neighbourhood planning, Neighbourhood Development Plans (NDPs) are required to be in general conformity with adopted strategic local policies.³ Consequently, the relevant elements of the Local Plan are reviewed as part of this Housing Needs Assessment (HNA).
66. In the case of Redbourn, the relevant local planning context is as follows:
67. The current adopted Local Plan for St Albans is the District Local Plan Review 1994 (DLPR). In 2007 a number of policies were 'saved' in order that they would remain part of the development plan rather than expire due to their age. In 2020 St Albans City and District Council (SACDC) published an amended version of the DLPR showing which policies remain in force. This is known as the Saved and Deleted Policies Version (July 2020).
68. SACDC have been working on a new Local Plan to replace the saved policies from the DLPR. The new Local Plan was to cover the period 2020-2036. However, the new Local Plan was formally withdrawn in November 2020. The primary reasons for the withdrawal was the judgement of the Planning Inspectors that SACDC had not met the requirement known as the Duty to Cooperate and concerns about green belt policy. At the time of writing it is understood that work on a new Local Plan is underway with the intention that it would be adopted in 2023.
69. Given this situation, only the saved policies of the DLPR remain relevant as the planning policy context for the Redbourn Neighbourhood Plan. Those relevant to housing need are reviewed below. However, given their relative age and limited scope the requirement for the Neighbourhood Plan to be in close conformity is potentially weaker, and there is an opportunity for the Neighbourhood Plan to meaningfully fill this policy vacuum.
70. The National Planning Policy Framework (NPPF) states that "where there are no relevant development plan policies, or the policies which are most important for determining the application are out-of-date,"⁴ the presumption in favour of sustainable development will apply. This means that planning permission will be granted unless there are clear adverse impacts associated with the proposal which outweigh the benefits, or if other NPPF policies protect important areas or assets.
71. Given the age of the DLPR, it is reasonable to assume that the presumption in favour of sustainable development applies across St Albans. However, the NPPF includes "land designated as Green Belt" in its list of protected areas. Because Green Belt protections apply to the majority of the district, the presumption in favour of sustainable development is likely to have a lower impact – both on the land adjacent to the settlement boundaries of Redbourn, and on the District as a whole.
72. Because of the constraints on development in the Green Belt beyond defined settlement boundaries, the Redbourn Neighbourhood Plan is also relatively limited in its ability to allocate sites on the edge of the neighborhood area. It is understood that such sites would need to be allocated as strategic within a Local Plan rather than a Neighbourhood Plan process.
73. The DLPR does not specify the proportion of Affordable Housing that should be sought, and other provisions covered by Policy 7A have been superseded by national guidance. As a result, St Albans produced a Supplementary Planning Guidance document in 2004, which sets out a target that 35% of units on sites of more than 15 dwellings or 0.5ha should be provided as Affordable Housing.⁵ Though this document is itself now relatively out of date, it is understood to be the most recent available policy guidance for Affordable Housing in St Albans. Whether the Redbourn Neighbourhood Plan might consider setting a different target is a matter for discussion with SACDC, since for the Neighbourhood Plan to be in broad conformity with Local Authority policy (as is required) it is beneficial to have their support and understand the options available within the current policy context. Exceeding the Local Authority requirement for Affordable Housing is usually considered a significant deviation that would require extensive justification and potentially viability testing or other supporting work.
74. It is also worth noting that the development targets in the DLPR apply to the periods 1981-96 and 1986-2001 and are therefore no longer applicable, nor are any targets for smaller areas derived from them nor any allocations for

² Available at <https://www.gov.uk/guidance/neighbourhood-planning--2#basic-conditions-for-neighbourhood-plan-to-referendum>

³ However, this does not affect the potential for the evidence base underpinning the emerging local plan to inform or form part of the evidence base for the neighbourhood plan.

⁴ Paragraph 11.

⁵ <https://www.stalbans.gov.uk/sites/default/files/documents/publications/planning-building-control/planning-policy/Affordable%20housing%20-%20supplementary%20planning%20guidance.pdf>

development sites. Such points within the DLPR have therefore been omitted from the policy review below.

2.2.1 Policies in the St Albans DLRP 1994 - Saved and Deleted Policies Version (July 2020)⁶

Table 2-2: Summary of St Albans adopted policies having relevance to Redbourn Neighbourhood Plan Housing Needs Assessment

Policy	Provisions
1 – Metropolitan Green Belt	The whole of the District lies within the Metropolitan Green Belt and, as such, permission will not be given for most forms of development (including any major residential development) outside of defined settlement boundaries. This applies to the defined boundary of Redbourn, which is shown in Figure 4.
2 – Settlement Strategy	The nature and intensity of development acceptable in particular locations should reflect the settlement hierarchy, within which Redbourn is classed as a Specified Settlement along with other large villages excluded from the Green Belt. In such areas, residential densities will be lower than in towns and proposals must maintain and enhance the existing character and Green Belt boundaries. Specified Settlements are the second tier of the hierarchy, following the Towns of St. Albans and Harpenden, where development will generally be concentrated. The third tier of the hierarchy includes Green Belt Settlements, where development will not normally be permitted.
3 – New Housing Development in Specified Settlements	Development in Redbourn and other Specified Settlements will be supported provided certain conditions are met. Affordable Housing will normally be required on sites measuring in excess of 0.4ha or delivering 15 or more dwellings.
7A – Affordable Housing in Towns and Specified Settlements	On suitable sites (see Policy 3 above) the Council will seek to negotiate a proportion of Affordable Housing based on site conditions and local housing need. The Affordable Housing should be reserved permanently for people with a strong local connection (to the District rather than the specific settlement).

Source: St Albans District Local Plan Review 1994 – Saved and Deleted Policies Version (July 2020)

2.2.2 Quantity of housing to provide

75. The NPPF 2019 requires, through paragraphs 65 and 66, Local Authorities to provide neighbourhood groups with a definitive or an indicative number of houses to plan for over the Neighbourhood Plan period.
76. St Albans has not fulfilled that requirement by providing Redbourn with an indicative or definitive figure to be accommodated within the Neighbourhood Area by the end of the new Local Plan period (2036). Indeed, given the recent withdrawal of the Local Plan and the wider uncertainty around housing numbers, it is not expected that SACDC will be able to provide Redbourn with a figure in the near future. Because the delivery of housing in and around Redbourn is a matter primarily of Green Belt constraints and site availability, the overall need for housing has been excluded from the scope of this study.
77. Note that the Government's August 2020 consultation proposals for 'Changes to the current planning system' include a temporary measure to lift the small sites threshold. This would mean that on sites of up to 40 or 50 units, developers would not need to contribute to Affordable Housing.⁷ The purpose of this time-limited change (its duration is currently unknown) is to support small housebuilders as the economy recovers from the impact of Covid-19.
78. When the temporary period ends (assuming that it is introduced as suggested), the Affordable Housing requirement in the NA will revert to the relevant adopted Local Plan policy, which, in this case, requires Affordable Housing contributions on all sites delivering more than 15 dwellings. It is likely that no development in Redbourn falling between the site thresholds of 15 to 40/50 will take place during this temporary period. The Parish Council is advised, however, to take note of this proposal as it evolves through the consultation process.

⁶ Note that only those policies considered relevant to this Housing Needs Assessment have been reviewed, and that the policies reviewed may have been edited for relevance and/or clarity. As such, this summary of relevant policies should not be considered a full summary of the Local Plan in question.

⁷ Available at: <https://www.gov.uk/government/consultations/changes-to-the-current-planning-system>.

79. It is likely that affordable housing exception sites (developments for Affordable Housing only) would not be subject to this increased requirement, and would potentially be the best way of securing Affordable Housing in Redbourn during this period.

3. Approach

3.1 Research Questions

80. Research Questions, abbreviated to 'RQ,' are formulated at the start of the project through discussion with the Redbourn Council (HPC). They serve to direct the research and provide the structure for the HNA.
81. The RQs relevant to this study, as discussed and agreed with HPC, are set out below.

3.1.1 Tenure and Affordability

82. The Parish Council would like to understand the needs of the community for housing of varying tenures, as well as the relative affordability of those tenures that should be provided to meet local need now and into the future.
83. This evidence will allow Redbourn to establish the right conditions for new development to come forward that is affordable, both in the broader sense of market housing attainable for first-time buyers, and as Affordable Housing for those who may be currently priced out of the market.

RQ 1: What quantity and tenures of Affordable Housing should be planned for over the Neighbourhood Plan period?

3.1.2 Type and Size

84. The aim of this research question is to provide the Parish Council with evidence on the types and sizes needed by the local community. This will help to shape future development so that it better reflects what residents need.
85. It is understood that the community wishes to accommodate its younger households who may be priced out of the market, and to maintain a mixed community of various ages and household types.
86. While this study is not able to advise on space standards or home configurations, it may reveal imbalances between the available stock and demographic trends.

RQ 2: What type (terrace, semi, bungalows, flats and detached) and size (number of bedrooms) of housing is appropriate for the Plan area over the Neighbourhood Plan period?

3.1.3 Specialist Housing for Older People

87. The Parish Council wishes to ensure that future housing provision takes into account the needs of older people. In terms of housing, the group is particularly interested in how those needs might be met through a variety of solutions – including mainstream housing which meets the needs of households at all life stages and specialist accommodation which promotes independent living and access to care and support. There is significant overlap between this area and the question of housing type and size, but this question will specifically address the need for specialised housing for older people through the Plan period.

RQ 3: What provision should be made for specialist housing for older people over the Neighbourhood Plan period?

3.2 Relevant Data

3.2.1 Local authority evidence base

88. It is appropriate for Parish Council to refer to existing needs assessments prepared by the Local Planning Authority (LPA) as a starting point. As the majority of Redbourn Neighbourhood Area is located within St Albans's planning area, we therefore turned to the relevant Local Housing Needs Assessment (LHNA), which is the South West Hertfordshire Local Housing Needs Assessment, published in September 2020.
89. For the purpose of this HNA, data from SACDC's own evidence base to support their housing policies has been considered relevant unless it conflicts with more locally specific and/or more recently-produced evidence. The housing market evidence draws upon a range of data including population and demographic projections, housing market transactions, and employment scenarios. As such, it contains a number of points of relevance when determining housing need within the Neighbourhood Area and has been referenced as appropriate.

3.2.2 Other relevant data

90. In addition to the St Albans evidence base, we have assessed other evidence to ensure our study is robust for the purposes of developing policy at the NP level and is locally specific. This includes data from both Census 2001 and 2011, as well as from a wide range of other data sources, including:
- Land Registry data on prices paid for housing within the local market;
 - Population and household projections produced by the Office of National Statistics (ONS); and
 - Information on current property asking prices, for housing for sale or rent, from [home.co.uk](https://www.home.co.uk).

4. RQ 1: Tenure, Affordability and the Need for Affordable Housing

RQ 1: What Affordable Housing (eg social housing, affordable rented, shared ownership, intermediate rented) and other market tenures should be planned for in the housing mix over the Neighbourhood Plan period?

4.1 Introduction

91. This section examines the tenure of dwellings in the current stock and recent supply. It then considers the affordability of housing within the area to local households. Drawing on existing evidence and AECOM's estimates for the neighbourhood area, this section quantifies the need for affordable housing within the NA. This includes Affordable Housing for rent (typically social or affordable rents) and Affordable Housing to buy. The scale of need for these homes can justify policies that guide new developments to provide Affordable Housing.⁸

4.2 Definitions

92. Tenure refers to the legal arrangements in place that enable a household to live in their home; it determines householder rights and influences the level of payments to be made in return for these rights. Broadly speaking, tenure falls into two categories, Affordable Housing and Market Housing, depending on whether the household benefits from a subsidy of some sort to enable them to live in their home.
93. It is necessary at this stage of the study to make clear the distinction between Affordable Housing as planning terminology and the colloquial meaning of the phrase. In the course of this study, we refer to Affordable Housing, with capital letters, to denote those forms of housing tenure that fall within the definition of Affordable Housing set out in the current NPPF: social rent, affordable rent, affordable private rent (brought forward by build to rent schemes), and forms products designed to offer affordable routes to home ownership.⁹
94. The definition of Affordable Housing set out in the NPPF makes clear the Government's commitment to home ownership (broadening a definition which had previously referred only to social and intermediate housing to include a range of low-cost housing opportunities for those aspiring to own a home). As part of this effort, the Government has recently proposed to introduce First Homes to provide at least a 30% discount on new market housing for sale.¹⁰ However, the NPPF and Homes England funding for Affordable Housing recognises the important role of affordable rent tenures for those unable to afford home ownership.

4.3 Current tenure profile

95. The current tenure pattern is a key feature of the local neighbourhood area. Patterns of home ownership, private renting and affordable/social renting reflect demographic characteristics including age (with older households more likely to own their own homes), and patterns of income and wealth which influence whether households can afford to rent or buy and whether they need subsidy to access housing. Table 4-1 below presents Census data from 2011; this table shows the distribution of how households occupy their homes within Redbourn, compared to the rest of St Albans and England.
96. Redbourn has higher rates of home ownership and social renting, along with a significantly lower rate of private renting, than St Albans. Since the rate of ownership is much higher in St Albans than England as a whole, Redbourn's rate of ownership is significantly above the national average, and the proportion of private renting in the NA is around half of the national average.

⁸ PPG Paragraph: 021 Reference ID: 2a-021-20160401, available at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

⁹ NPPF 2019.

¹⁰ The latest consultation proposals, published in August 2020, state that 'The minimum discount for First Homes should be 30% from market price which will be set by an independent registered valuer' and 'Local authorities will have discretion to increase the discount to 40% or 50%. This would need to be evidenced in the local plan making process.'

Table 4-1: Tenure (households) in Redbourn, 2011

Tenure	Redbourn	St Albans	England
Owned; total	74.4%	72.7%	63.3%
Shared ownership	0.6%	0.5%	0.8%
Social rented; total	15.4%	12.2%	17.7%
Private rented; total	8.5%	13.6%	16.8%

Sources: Census 2011, AECOM Calculations

97. In Table 4-2, the changes in tenure during the intercensal period are presented. Note that all of the tenure categories experienced growth in Redbourn due to the overall increase in population (and dwellings) between 2001 and 2011 – a trend that has likely continued since. Unfortunately no more recent reliable data on tenure occupancy is available.
98. Private renting experienced a very high increase to reach its current level (which remains well below that of St Albans or England). The change in terms of raw numbers is an increase from 65 to 187 privately renting households. This trend tends to be a product of the declining affordability of home ownership – either because of rising house prices or stagnating incomes. It is much more notable in Redbourn than it was across the district or country as a whole.
99. Shared ownership experienced a dramatic percentage increase in St Albans during the period (from 120 to 251 units), while increasing by only one unit in Redbourn. Although shared ownership still exists at a higher proportion in Redbourn than St Albans, at just 14 units in 2011 it has capacity to grow.

Table 4-2: Rates of tenure change in Redbourn, 2001-2011

Tenure	Redbourn	St Albans	England
Owned; total	10.4%	0.9%	-0.6%
Shared ownership	7.7%	117.5%	30.0%
Social rented; total	10.1%	3.2%	-0.9%
Private rented; total	187.7%	87.1%	82.4%

Sources: Censuses 2001 and 2011, AECOM Calculations

100. Unfortunately it was not possible to use SACDC data to determine how many units of Affordable Housing have been delivered since 2011 in Redbourn, and in so doing determine the current state of the tenure mix.

4.4 Affordability

101. Having reviewed the tenure of the existing housing stock in Redbourn, the following analysis considers house prices and rents in the neighbourhood area and whether these are affordable to local households on the basis of their incomes or earnings.

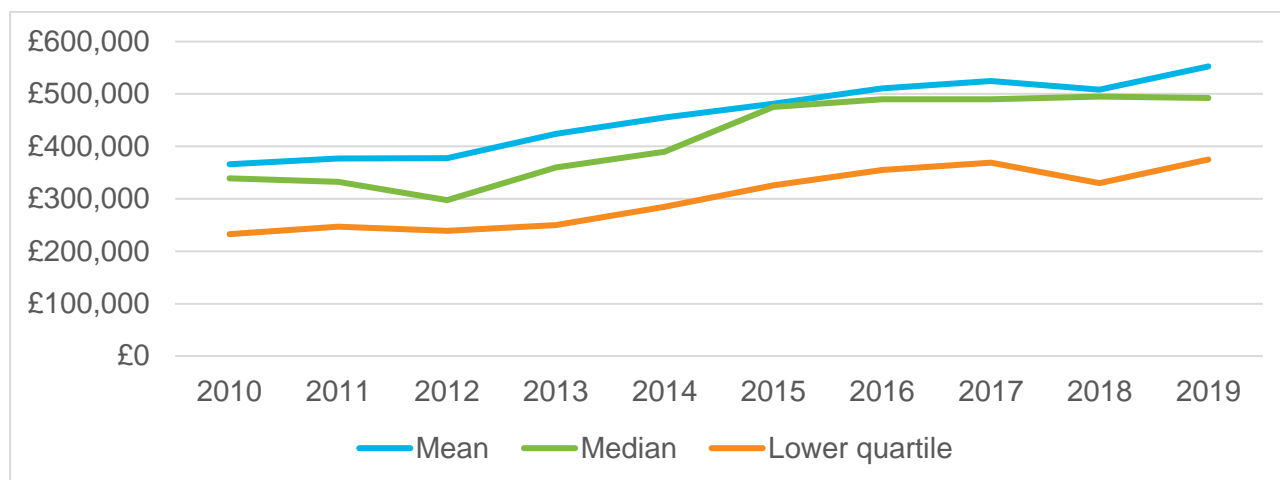
4.4.1 House prices

102. House prices provide an indication of the level of demand for homes within an area. The relationship between house prices and incomes determines whether housing is affordable to local households and, to a large extent, what tenure, type and size of home they occupy. Changes in affordability over time can indicate pressures in the housing market. As such, it is useful for the evidence base for plans to examine trends in prices and consider what this reveals about the local housing market.
103. Figure 4-1 on the following page looks at selected measures of house prices in Redbourn. It shows a smooth, steady increase in house prices over the decade with the exception of mild dips in 2012 and 2018. The evolution of lower quartile house prices has closely tracked that of the mean, showing that there has not been disproportionate growth in the most affordable segment of the market.
104. PPG makes clear that lower-quartile house prices may be used as a benchmark for entry-level home prices.¹¹ Entry-

¹¹ See Paragraph: 021 Reference ID: 2a-021-20190220, available at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

level properties are typically those with one or two bedrooms – either flats or houses.

Figure 4-1: House prices by quartile in Redbourn, 2010-2019



Source: Land Registry PPD

105. Table 4-3 below breaks down house prices by type, as recorded by Land Registry Price Paid Data (PPD). It shows that all house types have fluctuated in their average sales price year-by-year but have ended the decade substantially above their starting points. The overall average for 2019 is 51% higher than the overall average for 2010. It appears that terraced homes have appreciated by the greatest amount, though this may be due to a particularly low figure for 2010.
106. This overall picture suggests that the affordability of home ownership is becoming increasingly out of reach in Redbourn, which aligns with the finding that private renting has becoming a dramatically more popular option. The average flat costs just under £275,000, suggesting that this option could remain achievable for young people, but terraced housing that might suit young families with children is far more expensive at an average of just under £440,000. Semi-detached and, to a greater extent, detached housing remains an option only for the wealthiest households.
107. This chimes with the picture across the wider Local Authority area and the Housing Market Area (HMA) considered in the LHNA. The LHNA finds that house prices in the HMA are 91% above the national average, having grown at above average rates exceeded only by the appreciation of London property.

Table 4-3: House prices by type in Redbourn, 2010-2019, 000's

Type	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Growth
Detached	£522,600	£534,107	£645,688	£695,018	£682,090	£628,538	£673,748	£695,195	£732,614	£760,852	45.6%
Semi-detached	£359,659	£328,180	£384,962	£381,571	£415,056	£497,531	£530,375	£526,829	£534,762	£559,814	55.7%
Terraced	£254,547	£331,866	£308,359	£313,100	£342,991	£363,968	£421,332	£415,889	£446,925	£437,571	71.9%
Flats	£193,300	£188,943	£175,556	£170,365	£243,821	£271,850	£343,278	£271,812	£244,278	£273,591	41.5%
All Types	£365,961	£377,141	£377,736	£423,708	£455,271	£481,492	£510,645	£524,450	£508,116	£552,564	51.0%

Source: Land Registry PPD

4.4.2 Income

108. Household incomes determine the ability of households to exercise choice in the housing market, and consequently the level of need for affordable housing products. Two sources of data are used to examine household incomes in the NA.
109. The first source is locally specific but limited to the average total household income and the median net annual household income before housing costs (or take-home pay). This is the average household income estimates

published by ONS¹² at the level of the Middle-layer Super Output Area (MSOA)¹³. In the case of Redbourn the MSOA most suitable for use as a proxy for the Neighbourhood Area boundary is St Albans E02004929. Further details on the extent of this MSOA, including a map, and why it was selected as a proxy for the Neighbourhood Area, are set out in Appendix A.

110. The average total household income before housing costs (equalised) across the relevant MSOA in 2019 was £54,000. The total (gross) income figure is typically used by mortgage lenders to assess a household's ability to afford to borrow.¹⁴
111. The second source of data is Lower Quartile (LQ) average earnings. This is helpful for understanding affordability challenges among those with lower than average earnings. However, this data relates to individual earnings and whilst this is an accurate representation of household incomes where households have one earner, it does not represent household income where there are two people earning. It is also only available at the Local Authority level.
112. It is derived from ONS annual estimates of paid hours worked and earnings for UK employees to local authority level. Although 2020 provisional data has been published, the revised 2019 data is considered more robust and is therefore used here.
113. St Albans's gross LQ annual earnings for 2019 was £16,933. This is the LQ income before taxes (or benefits) for individual earners and so only correlates with the measure of household incomes above for single-person households. To estimate the income of LQ-earning households with two earners, the annual income is doubled, to £33,866.
114. It is immediately clear from this data that there is a large gap between the spending power of average earning households and those earning the lowest 25% of incomes.

4.4.3 Affordability Thresholds

115. In order to gain a clearer understanding of local affordability, it is also useful to understand what levels of income are required to afford different tenures. This is done using 'affordability thresholds'. Purchase thresholds denote the standard household income needed to access mortgage products, and income thresholds denote the maximum share of a family's income that should be spent on accommodation costs.
116. AECOM has determined thresholds for the income required to buy a home in the open market (average and entry-level prices), and the income required to afford private rent and the range of Affordable Housing tenures as set out in the NPPF. These calculations are detailed in Appendix A. The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations, but it is worth noting here that we have assumed that the maximum percentage of household income that should be spent on rent is 30% and that mortgage financing will be offered at a maximum of 3.5 times household income.¹⁵
117. Table 4-4 shows the cost of different tenures and the annual income required to support these costs within Redbourn. The income required column is the annual income needed to support ongoing housing costs, but does not reflect the cost of a deposit (which we have assumed to be 10% of the value to be purchased) or the possibility that households able to access market housing for purchase may already hold equity from an existing property.

It is immediately clear that the majority of tenures are not affordable to the measures of income we have compared them to. Note that these are the average and lower quartile incomes, so housing is still likely to be affordable to people earning above the average or who have access to equity from their existing home or other forms of savings (e.g. inheritance).

¹²Available at

<https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/bulletins/smallareamodelbasedincomeestimates/financialyearending2016>

¹³ An MSOA is a statistical area defined for Census purposes. For further information on MSOAs, see <https://www.ons.gov.uk/methodology/geography/ukgeographies/censusgeography>

¹⁴ Total annual household income is the sum of the gross income of every member of the household plus any income from benefits such as Working Families Tax Credit.

¹⁵ The 30% figure is frequently used in assessments of housing need at Local Authority level. The South West Hertfordshire uses a figure of 28% of net earnings (para 5.174) as a starting point. However, it should be noted that some households will be willing or able to spend a higher proportion of their earnings on rent.

Table 4-4: Affordability thresholds in Redbourn (income required, £)

Tenure	Mortgage Value	Rent	Income required	Affordable on average incomes? £54,000	Affordable on LQ earnings (single earner)? £16,933	Affordable on LQ earnings (2 earners)? £33,866
Market Housing						
Median House Price	£443,250	-	£126,643	No	No	No
LA New Build Mean House Price	£561,884		£160,538	No	No	No
LQ/Entry-level House Price	£337,500	-	£96,429	No	No	No
Average Market Rent	-	£14,770	£49,233	Yes	No	No
Entry-level Market Rent	-	£11,568	£38,560	Yes	No	No
Affordable Home Ownership						
Discounted Market Sale (-20%)	£394,000	-	£101,314	No	No	No
Discounted Market Sale (-30%)	£344,750	-	£88,650	No	No	No
Discounted Market Sale (-40%)	£295,500	-	£75,986	No	No	No
Discounted Market Sale (-50%)	£246,250	-	£63,321	No	No	No
Shared Ownership (50%)	£246,250	£6,156	£83,842	No	No	No
Shared Ownership (25%)	£110,813	£9,234	£62,442	No	No	No
Affordable Rented Housing						
Affordable Rent	-	£9,390	£37,561	Yes	No	No
Social Rent	-	£6,293	£25,172	Yes	No	Yes

Source: AECOM Calculations

118. The income required to afford the different tenures is then benchmarked, in Figure 4-2 overleaf, against the three measurements of household income set out above. These are the average total household income at £54,000 and the lower quartile gross earnings for single-earners at £16,933 and dual-earning households at £33,866.
119. It is apparent that the income required to buy an average market home for sale is more than double what would be available to those on average household incomes. The income required to buy an average entry-level home for sale is still significantly above the average income and nearly three times the spending capacity of a household with two lower quartile earners.
120. Market rents are just affordable to average earning households, but even the average entry-level (2 bedroom) rental price is higher than what a household with two lower quartile earners could afford. Households in which there is only one lower quartile earner appear unable to afford any tenures other than social rent. Many such individuals will, if unable to secure a small social rented dwelling, need to live in a room in a shared house using housing benefit.
121. Government policy aimed at tackling the housing crisis continues to attach high priority on helping those on modest incomes and others who are unable to afford market housing for purchase, such as younger buyers, to access affordable routes towards homeownership.¹⁶
122. Table 4-4 shows that households with incomes between £49,000 and £97,000 are able to rent in the market but unable to buy. These households may benefit from affordable home ownership options. While such products would extend home ownership to more people, they would be assisting only very high earners since no other households have a realistic chance to afford them.
123. There are a range of affordable routes to home ownership tenures, i.e. those aimed at households unable to afford to buy in the market. With regard to these products and the discounts required, the following observations can be made:

¹⁶ See the White Paper 'Fixing Our Broken Housing Market', at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/590464/Fixing_our_broken_housing_market_-_print_ready_version.pdf

- The discount on the average market sale price required to enable households on average incomes to afford to buy is 57%. For a dual lower quartile earning household, a discount of 73% would be required.
- Whether discounted market sale products are affordable will depend whether properties are priced in relation to average, new build or entry level homes. It is unknown which will be relevant in Redbourn since developers will view discounts differently. The average new build price in Redbourn in 2016/17 (the last time a reasonable sample were sold) was £370,250. However these properties (at Hills Yard Mews) were all flats and this was nearly five years ago. Therefore it can be assumed that a new build terraced house in 2021 would be priced significantly higher. Yet the average new build price across the wider District in 2019 is £624,315, which is probably skewed by executive housing in high value areas such as St Albans itself. The most likely scenario for a new build entry-level price in future is some point in between these extremes. The modelling in this study uses the 2019 second-hand average in Redbourn of £492,500 as a conservative benchmark, but it is worth pointing out some flats and smaller homes in some locations may be more affordable.
- No matter how the discounts are calculated, it is unlikely that these products will meaningfully extend home ownership to those on or below average incomes unless significant discounts can be achieved. This is shown in Table 4-5 below.
- Discounted market sale homes may be unviable to develop if the discounted price is close to (or below) build costs. Build costs vary across the country but as an illustration, the build cost for a 2 bedroom home (assuming 70 sq m and a build cost of £1,500 per sq m) would be around £105,000.¹⁷ This cost excludes any land value or developer profit.
- The Government's proposed First Homes product would provide a minimum discount of 30% on new homes. In Redbourn a 30% discount on either the overall average or the average new build price would be insufficient to extend home ownership to households on average incomes. A 50% discount would still only benefit above average earners.
- The LHNA puts forward a target range for the final price of discounted market sales homes in St Albans District which provides helpful detail on affordability by house size that is not possible within the scope of the HNA. These boundaries, if taken forward by the Local Planning Authority, would apply to new developments in Redbourn, and would provide more affordable options than the overall averages referred to here:

		1-bedroom	2-bedrooms	3-bedrooms	4+ bedrooms
St. Albans	Lower Limit	£139,000	£173,000	£225,000	£321,00
	Upper Limit	£241,000	£343,000	£486,000	£691,000
	Midpoint	£190,000	£258,000	£356,000	£506,000

- Shared ownership appears to be an equally ineffective option for widening housing access in Redbourn, with the 25% equity share option still requiring an annual income of £62,400. It has recently been announced that the minimum equity share for shared ownership may fall to just 10% of the property value. If this can be delivered, the income required would be £49,602 – which is slightly below the average income in Redbourn. However, it is worth emphasising that the transition from 10% to 100% ownership would be long, and during this period the rent on the 90% unsold value would not be subsidised. This product would therefore only be a realistic route to full ownership for households prepared to take a very long-term view.
- The income required to access Rent to buy is assumed to be the same as that required to afford market rents. At just over £49,000, this is more affordable than discounted market housing or shared ownership, but still only available to those earning close to the average. This product is also relatively new and untested, and is not offered in all Local Authority areas.
- It should be emphasised that the Neighbourhood Plan is limited in its ability to control or influence level of discount achieved on discounted market sale properties but the LPA should have a role here.

124. The latest Government consultation proposes that Local Authorities will have discretion to increase the discount on First Homes to 40% or 50%, but that this would need to be evidenced in the Local Plan making process. It is expected that the decision to require a higher discount and the evidence supporting it would be undertaken at Local Authority wide

¹⁷ This estimate is included for illustration purposes. £1,500 build cost per sq m is a reasonable estimate of current costs (mid 2020); 70 sq m for a 2 bedroom property is consistent with the Government's Nationally Described Space Standards

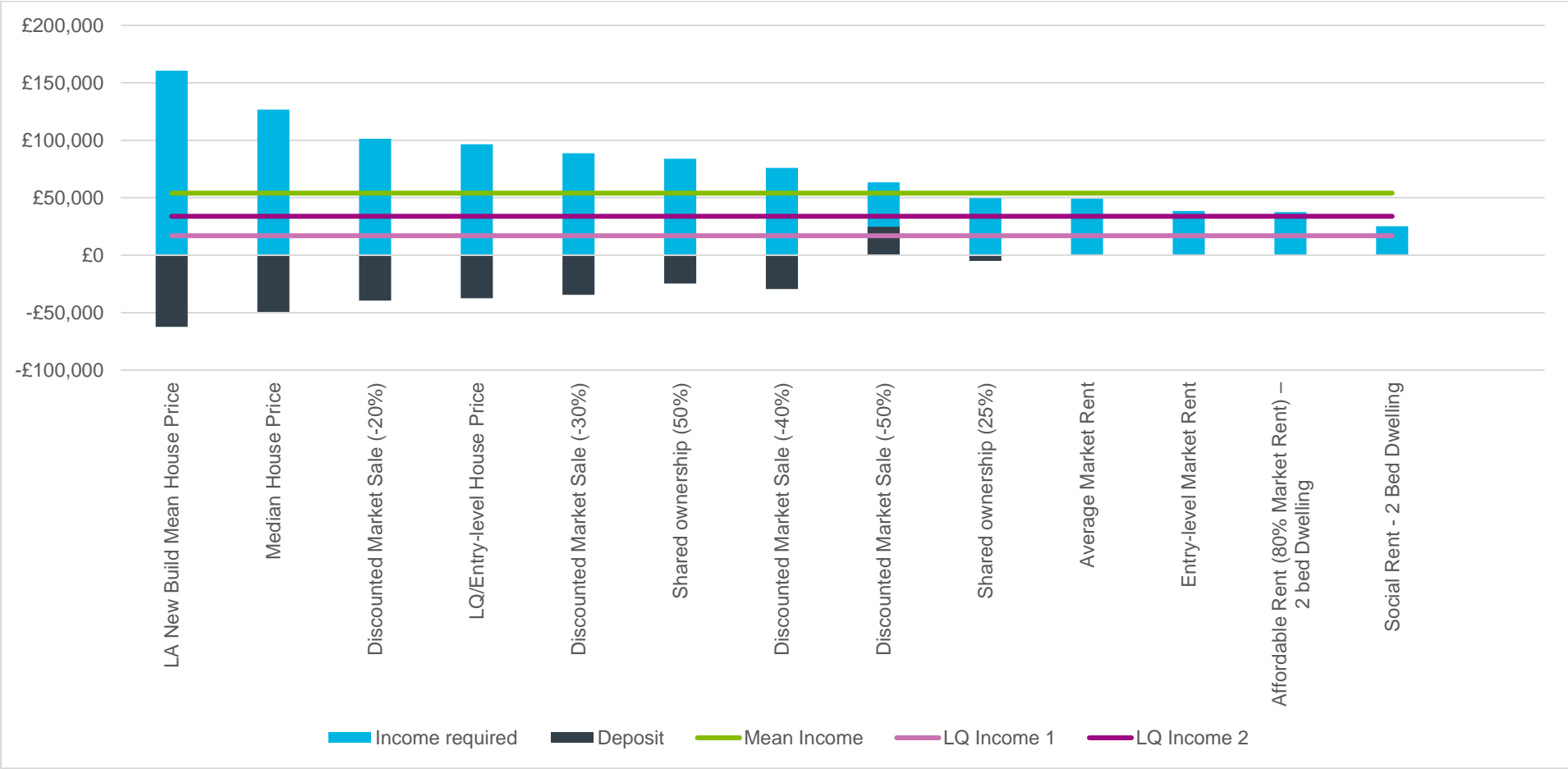
level. However, it is clear that seeking the maximum potential discount would be necessary in Redbourn, and the evidence assembled here may help to make that case at St Albans level.

Table 4-5: % Discount on Sale Price Required for Households on Mean Incomes to Afford

Mean household income in NA:	£54,000
Tenure/ product:	Discount on sale price required:
- <i>Market sale (Average)</i>	57%
- <i>New build market sale (Average)</i>	66%
- <i>Entry level sale (LQ)</i>	44%

Source: Land Registry PPD; ONS MSOA total household income

Figure 4-2: Affordability thresholds in Redbourn (income required, £)



Source: AECOM Calculations

4.5 Affordable housing- quantity needed

125. The starting point for understanding the need for affordable housing in Redbourn is the relevant LHNA. An LHNA was undertaken for South West Hertfordshire in 2020 (covering the following Local Authority areas: Dacorum, Hertsmere, St Albans, Three Rivers and Watford). This document uses the most up-to-date methodology to estimate separately the need for affordable rented housing and affordable home ownership in the District between 2020 and 2036.
126. The LHNA calculates an annual need for affordable rented housing in St Albans of 443 units. It also calculates potential demand for affordable home ownership products of 385 units per year. It should be emphasised that the former figure relates to households who have no other suitable housing options, while the latter consists of households who can afford to rent at present but may wish to buy if given the option.
127. These figures can be pro-rated to Redbourn based on the share of the St Albans population who live in Redbourn. Referring to the ONS mid-2019 population estimates, there are currently 5,548 people living in Redbourn and 148,452 people living in St Albans. Therefore, approximately 3.7% of the district population live in Redbourn.
128. If Redbourn also has around 3.7% of the district's need for Affordable Housing, as identified in the LHNA, this implies the need for 16 units of affordable rented housing and 14 units of affordable home ownership in Redbourn per year to 2036 (both figures rounded). In total over the 15 years in the Neighbourhood Plan period, this equates to 240 units of affordable rented and 210 units of affordable home ownership housing.
129. However, pro-rating Local Authority level estimates of Affordable Housing need presents problems in practice. The Local Authority level figures are likely to smooth over differences in need between urban and rural areas, where the size of the housing stock and numbers of households living in the private rented sector on housing benefit differ greatly.
130. This report therefore provides alternative calculations that are specific to Redbourn as far as possible. The starting point would normally be the number of Redbourn households currently applying for Affordable Housing on SACDC's housing waiting list. However, SACDC do not disaggregate need from the waiting list to ward and parish areas. Proxies will therefore need to be used.
131. Table 4-6 estimates the need for Affordable Housing for rent in Redbourn per year of the Plan period. It should be noted that the accuracy of the findings generated by the model is only as strong as the evidence we have available to us. For example, starting point is derived from St Albans statistics along with overcrowding data for Redbourn that is accurate to 2011 (and therefore very dated). However, given the test of proportionality for evidence supporting neighbourhood plans, and the need to be in conformity with Local Authority strategic policies, the calculations set out below are considered a reasonable basis for understanding and planning for neighbourhood-level affordable housing need.
132. The result of this calculation is a surplus of seven units per year. This is initially surprising given the fact that there are currently estimated to be around 31 households in need, and because the LHNA found a significant undersupply of 16 units per year (or 111 over the Plan period).
133. However, what this model is saying is that the estimated quantity of newly arising need each year is likely to be satisfied by turnover in the existing stock. We assume that roughly 3% of the occupants of Redbourn's social rented stock will vacate their property in any given year, as they move to a new location, pass away, or cease to become eligible as their income rises. 3% of the existing stock is approximately 11 units of Affordable Housing. We estimate that around 1.5 households will fall into need each year, in addition to 2 units required to satisfy current need (which is spread across the Plan period in order to give an annualized figure). So a combined 3.5 households needs housing per year, while 11 units might be expected to come vacant in the same year, leaving a surplus of 7.4 per year.
134. An important caveat to this finding is that there are certainly households currently in need in Redbourn, and to 'spread them out' over the Plan period suggests that some of them can be accommodated in five years' time once a sufficient surplus has been built up. While possible, this is not favourable to the individuals involved. In practice, it would be better to frontload any future Affordable Housing provision to meet those needs as soon as possible, leaving newly arising need in future to be met by turnover in the existing stock. Furthermore, there is a clear need for Affordable Housing across the district as a whole, and it is reasonable to expect Redbourn to satisfy some of that need (whether from local households or those elsewhere in the district).
135. A further caveat worth emphasizing is that one unit of Affordable Housing does not necessarily service one household worth of need, since the unit might have 2 bedrooms while the applicant household might require 4.

136. As such, it is recommended that Redbourn seeks to deliver Affordable Housing as much as possible, with the understanding that if this results in oversupply in future years, the vacancies created when existing occupants leave their properties may need to satisfy new need from elsewhere in the district if Redbourn's households are already accommodated.

Table 4-7: Estimate of need for Affordable Housing for rent in Redbourn NA

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current households in need	31.2	Latest waiting list data available from MHCLG Local authority housing statistics data return (households in priority need). Pro rata for the NA. Result is 11.2. Overcrowded households at 2011 added in (20) = 31.2. Replace with neighbourhood level data if provided by LA.
1.2 Per annum	2.1	1.1 divided by the plan period 2021-2036
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	123.7	MHCLG 2018-based household projections for the LA between start and end of plan period. % increase applied to NA
2.2 Proportion of new households unable to rent in the market	18.5%	(Steps 1.1 + 2.2.1 + 2.2.2) divided by number of households in NA
2.2.1 Current number of social renters in NA	367	2011 Census + LA-level % increase
2.2.2 Number of private renters on housing benefits	26	Housing benefit caseload May 2018. Pro rata for NA.
2.3 New households unable to rent	23	Step 2.1 * Step 2.2
2.4 Per annum	1.5	Step 2.3 divided by plan period 2021-2036
STAGE 3: SUPPLY OF AFFORDABLE HOUSING		
3.1 Supply of social/affordable re-lets (including transfers) %	3%	Assumed proportion of stock re-let each year
3.2 Supply of social/affordable re-lets (including transfers)	11.0	Step 3.1 x NA social rented stock (2.2.1)
NET SHORTFALL (OR SURPLUS) OF RENTED UNITS PER ANNUM		
Overall surplus per annum	7.4	Step 1.2 + Step 2.4 - Step 3.2

Source: AECOM model, using Census 2011, English Housing Survey 2018, CLG 2014 based household projections and net additions to affordable housing stock. 2018 is the latest reliable data for some datasets so is used throughout for consistency. Figures may not sum due to rounding.

137. Turning now to Affordable Housing providing a route to home ownership, Table 4-8 below estimates potential demand for affordable home ownership products within Redbourn NA. This estimate broadly counts households living in the private rented sector who are not on housing benefit and new households likely to form over the plan period who are likely to enter the private rented sector (but not require housing benefit).
138. The model aims to estimate the number of households who can rent but can't buy on the basis of their incomes. There may be other barriers to these households accessing home ownership on the open market, including being unable to save for a deposit, or being unable to afford a home of the right type/size or in the right location. The model discounts 25% of these households, assuming a proportion will be renting out of choice. The result of the calculation is around 10 households per annum who may be interested in affordable home ownership (or 144 for the entirety of the Plan period). This is not dramatically lower than the LHNA estimate, prorated to Redbourn to give a result of 14 units per year.
139. Again this assumes a rate of turnover in the existing stock will satisfy some need (roughly 1 unit per year). However, the current and future estimated demand, determined in relation to the number and increase of private renters, is so large as to far exceed supply through turnover, meaning that additional provision is required.
140. However, it is important to keep in mind that the households identified in this estimate are, by and large, adequately housed in the private rented sector. They do not lack their own housing but would prefer to buy rather than rent. They have been included in the national planning definition of those in need of Affordable Housing, but their needs are less acute than those on the waiting list for affordable rented housing.

Table 4-8: Estimate of the potential demand for affordable housing for sale in Redbourn

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current number of renters in NA	228.0	Census 2011 number of renters * national % increase to 2018
1.2 Percentage renters on housing benefit in LA	11.4%	% of renters in 2018 on housing benefit
1.3 Number of renters on housing benefits in NA	26	Step 1.1 * Step 1.2
1.4 Current need (households)	151.6	Current renters minus those on HB and minus 25% assumed to rent by choice
1.5 Per annum	10.1	Step 1.4 divided by plan period
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	123.7	LA household projections for plan period (2018 based) pro rated to NA
2.2 % of households unable to buy but able to rent	7.6%	(Step 1.4 + Step 3.1) divided by number of households in NA estimated in 2020
2.3 Total newly arising need	9.4	Step 2.1 * Step 2.2
2.4 Total newly arising need per annum	0.7	Step 2.3 divided by plan period
STAGE 3: SUPPLY OF AFFORDABLE HOUSING		
3.1 Supply of affordable housing	22	Number of shared ownership homes in NA (Census 2011 + LA new build to 2018/19 pro rated to NA)
3.2 Supply - intermediate resales	1.1	Step 3.1 * 5% (assume rate of re-sale)
NET SHORTFALL (OR SURPLUS) PER ANNUM		
Overall shortfall per annum	9.7	(Step 1.5 + Step 2.4) - Step 3.2

Source: AECOM model, using Census 2011, English Housing Survey 2018, CLG 2014 based household projections and net additions to affordable housing stock. 2018 is the latest reliable data for some datasets so is used throughout for consistency. Figures may not sum due to rounding.

141. There is no policy or legal obligation on the part either of the Local Authority or Parish Council to meet affordable housing needs in full, either within or outside the Neighbourhood area, though there are tools available to the Parish Council that can help ensure that it is met to a greater extent if resources permit (eg the ability to allocate sites for affordable housing).
142. It is also important to remember that even after the Redbourn, or indeed any other, Neighbourhood Plan is adopted, the assessment of need for Affordable Housing, the allocation of affordable rented housing to those in need, and the management of the housing waiting list all remain the responsibility of the local authority rather than the Parish Council.
143. In this sense, it must be acknowledged that neighbourhood plans are by their nature relatively constrained in terms of the extent to which they can meet affordable housing need, unless there is a specific policy on the housing supply-side (e.g. the identification of one or more housing exception sites over and above those required by the Local Plan).

4.5.1 Affordable Housing Policies in Redbourn

144. The Parish Council may wish to develop policies in relation to the delivery of Affordable Housing within Redbourn. St Albans's existing policy on this subject is provided in its Supplementary Planning Guidance, where 35% of all new homes on sites of 15 or more dwellings are expected to be delivered as Affordable Housing. This policy would apply in Redbourn, subject to sites coming forward for development with 15 or more dwellings. However, given its relative age there may be potential for Redbourn to develop its own policy guidance on this topic.
145. Note, however, that the Government's August 2020 consultation proposals for 'Changes to the current planning system' include a temporary measure to lift the small sites threshold. This would mean that developers would not need to contribute to Affordable Housing on sites of up to 40 or 50 units. This represents a significant increase on the threshold sought in the SPG (cited above), and therefore may reduce the delivery of Affordable Housing on normal development sites during the temporary period in which it applies.
146. It is expected that this temporary period will be short and, being introduced to combat the economic impacts of Covid-19 on small builders, may have already elapsed by the time the Neighbourhood Plan is made. Nevertheless, it could have an impact on Affordable Housing delivery in the short term, and warrants the attention of the Parish Council as the Government consultation proceeds. For more detail on this proposal in relation to the overall quantity of housing expected in the NA during the Plan period and a link to the consultation document, see the 'Quantity of housing to provide' section at the start of this report (section 2.2.3).

147. Because neither the total housing need in Redbourn nor the expected amount of housing delivery within the Plan period are known quantities, it is not possible for this HNA to advise on what proportion of the overall need in Redbourn is for Affordable Housing. Furthermore, our own calculation found that there could in future be a surplus of affordable rented housing. However, if creating a policy on this topic is the desire of the Parish Council, the evidence gathered here may be used together with the better understanding of overall need which may emerge in future to determine what the most appropriate target might be. The percentage mix within Affordable Housing which might be taken forward in Neighbourhood Plan policy is provided at the end of this section.
148. It is not the role of the HNA to develop policy, as there are a wider set of factors which apply and need to be considered by the Parish Council. However, the following evidence and considerations may be used as a starting point in the development of policy concerning the components of the Affordable Housing mix in Redbourn. On the balance of these factors, AECOM set out a judgement on the starting point for an appropriate tenure mix in Redbourn in Table 4-9 below.

- A. **Evidence of need for Affordable Housing:** The LHNA suggests that Redbourn's need for Affordable Housing could be in the region of 16 affordable rented units and 14 affordable home ownership units per year. AECOM's alternative estimates indicate a future surplus of affordable rented housing and potential demand for affordable home ownership options of 10 units per year.

The LHNA findings appear to suggest a broadly equal need for rented and ownership products. However, because those seeking ownership have far less acute needs, the LHNA advises that as much affordable rented housing should be secured as viability allows. It recommends that 85% of Affordable Housing in St Albans consist of rented tenures.

Likewise, although the HNA estimates suggest that there is no need for rented Affordable Housing, leaving affordable home ownership to be prioritised fully, there are a number of counter-arguments for Redbourn. These include the overall scale of rented need across the district, the current backlog of rented need in Redbourn, and the need to act prudently in case economic circumstances change or the assumptions for turnover used here are not borne out in practice. However, the most important evidence against prioritizing affordable rented housing is that all the potential options have been found to remain out of reach for the vast majority of local people, with average earners only benefitting if extremely generous discounts can be achieved.

As a result, this HNA recommends following the LHNA logic of prioritising affordable rented housing for those with the most acute needs to the greatest extent possible, while still allowing for some measure of affordable home ownership.

- B. **Can Affordable Housing needs be met in full?** There is presently no indication of the overall housing need or requirement for Redbourn. It therefore cannot be determined whether the expected quantity of all housing will be enough to meet identified Affordable Housing needs, if 35% of that housing were to be affordable. If such an indication is provided in future it may be considered in the light of the estimates of need included here.
- C. **Government policy (NPPF) requirements:** current NPPF policy requires 10% of all homes to be delivered for affordable home ownership. There can be exceptions to this requirement if it would prevent the delivery of other forms of Affordable Housing. Based on the findings of this HNA there is evidence that going beyond the 10% threshold in Redbourn would prejudice the provision of much needed affordable rented homes. However, the evidence also does not appear to justify going below this requirement in line with the exception referenced above.
- D. **Emerging policy:** the Government is currently consulting on the introduction of First Homes (to provide at least 30% discount on new build home prices). The most recent consultation outlines the Government's intention to require that a minimum of 25% of all Affordable Housing secured through developer contributions should be first homes.¹⁸ The outcome of this consultation and the policy which emerges may shape the provision of different forms of Affordable Housing on new development sites, and the Parish Council will need to keep this emerging policy in mind when developing its Neighbourhood Plan policies.

¹⁸The original proposals are available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/864265/First_Homes_consultation_document.pdf. The latest proposals are available at: <https://www.gov.uk/government/consultations/changes-to-the-current-planning-system>. Note that the latest proposals are not final, and could potentially be subject to further change.

The expected 25% First Homes requirement may have the effect of displacing other products in any given tenure mix and, if so, is supposed to displace other affordable home ownership products in the first instance, starting with those providing the lowest effective discount. However, affordable rented products may also be affected depending on the tenure mix sought (i.e. if more than 75% of affordable housing is intended as affordable rent, this would need to be reduced to a maximum of 75% affordable rent so that First Homes can constitute 25% of all affordable housing).

The August 2020 proposals also present options on how the make-up of the tenure mix of the remaining 75% of affordable housing is determined, with one option to maintain as far as possible the affordable rented proportions in the local plan, while a second option would allow greater flexibility. It is unknown at this time which option will be pursued.

- E. **Local Plan policy:** St Albans's Supplementary Planning Guidance does not specify a tenure mix. However, the LHNA proposes a mix of 85% rented and 15% affordable home ownership. If the overall Affordable Housing requirement is 35% of all housing, 15% of this amount would effectively leave 5% of all housing that would be affordable home ownership. This would be below the NPPF requirement that 10% of all housing be composed of such tenures. 30% of Affordable Housing would need to offer a route to home ownership for this to constitute 10% of all housing. Given the recommendation above (D), that there is insufficient evidence to justify an exception to the NPPF requirement, a tenure mix of 30% home ownership and 70% rented housing, would appear to be appropriate for Redbourn.

That said, it may be determined at St Albans level that the whole district is justified in departing from the NPPF requirement because of the acute need for affordable rented housing. If intending to explore a policy on tenure mix, it would be advisable for the Parish Council to seek the option of SACDC on this matter before proceeding.

- F. **Viability:** HNAs cannot take into consideration the factors which affect viability in the neighbourhood area or at the site specific level. Viability issues are recognised in the Council's adopted/emerging Local Plan and it is acknowledged that this may affect the provision of affordable housing and/or the mix of tenures provided.
- G. **Funding:** the availability of funding to support the delivery of different forms of Affordable Housing may also influence what it is appropriate to provide at a particular point in time or on any one site. The Parish Council may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available.
- H. **Existing tenure mix in Redbourn:** Redbourn has a higher proportion of social renting and shared ownership in the existing stock than the wider district, but lower on both measures than England as a whole. This existing mix does not reveal any particular gaps or issues that a policy on Affordable Housing tenure mix should seek to address.
- I. **Views of registered providers:** it is not within the scope of this HNA to investigate whether it would be viable for housing associations (registered providers) to deliver and manage affordable rented homes in this area. Some housing associations may be reluctant to take on small numbers of homes in rural areas because of the extra cost involved in managing this stock. However, there may be specialist providers who are willing to provide this housing and so the delivery of social/affordable rented homes should not be ruled out if it is an objective of the Parish Council and supported by the Local Authority.
- J. **Wider policy objectives:** the Parish Council may wish to take account of broader policy objectives for Redbourn and/or the wider District. These could include, but are not restricted to, policies to attract younger households, families or working age people to the Neighbourhood Area. These wider considerations may influence the mix of Affordable Housing provided.

149. In Table 4-9 below, two alternative scenarios for the tenure mix of Affordable Housing in Redbourn NA are presented. Note that we assume, in accordance with current practice, that most Affordable Housing will be brought forward through developer contributions. If the Parish Council is considering delivering Affordable Housing through other means, the national policy requirements reflected here may not apply.

150. The proposed headline split between affordable rent and affordable home ownership is the same in both scenarios, at 70% rented and 30% ownership. It is considered prudent to prioritise affordable rented housing to a high degree, while remaining within the bounds of the NPPF requirement for affordable home ownership. This should help to meet the requirements of those with no other suitable housing options, in line with the previous finding that those on lower quartile incomes can afford nothing else in Redbourn (even if turnover of existing properties may be enough to satisfy

most newly emerging need in future years). Some measure of affordable home ownership would help to widen housing access for those with around average incomes, but this should not come at the expense of more urgent and acute need.

151. The two scenarios given below, then, simply rebalance the sub-tenures within the category of affordable home ownership to adhere to the likely requirement around First Homes.
152. The first scenario (Mix 1 – Indicative mix based on local needs) most closely reflects local needs in Redbourn as identified in the HNA evidence relating to affordability thresholds. There it was found that rent to buy, shared ownership at low equity shares, and discounted market housing are all generally unaffordable, but none is clearly the more appropriate product. They are therefore recommended at equal shares.
153. The second scenario (Mix 2 – Indicative mix with 25% First Homes requirement) is aligned with the direction of travel in the Government's most recent policy proposals, in which it is intended that 25% of all Affordable Housing will be required to be provided as First Homes. This outcome is more likely than the first scenario, because the Government proposals are at an advanced stage of development. However, this is proposed here as one of two alternative scenarios in case the First Homes policy proposals do not progress. Given that First Homes have been found to be no more affordable to local people in Redbourn than any other similar tenure, if the Government proposal requiring 25% First Homes does not come forward as currently proposed, it is recommended that the Parish Council reverts to the other indicative mix as their starting point for policy development in this area.
154. Note also that the Government proposals state that if First Homes are required at 25% of Affordable Housing that comes forward through developer contributions and this results in displacing other tenures within the affordable mix, the tenure products providing the lowest effective discount should be displaced in the first instance. In this case, shared ownership and rent to buy are both displaced, but a small quantity of rent to buy is retained since this may be more accessible to some households based on our assumptions of the cost of renting.
155. Where the Parish Council wish to develop policy that requires a different mix to that sought by, it is important that they liaise with the LPA to gather more detailed income and viability information, and to ensure that departures from the District-level policy context have the LPA's support. Another option when developing Neighbourhood Plan policies on tenure splits is to add caveats to the policy in question, to the effect that the precise mix of affordable housing will be considered on the basis of site-by-site circumstances in addition to this evidence.
156. AECOM cannot provide guidance on the appropriate share of social/affordable rented homes as this will depend on the level of funding available to housing associations which will determine at what level rents can be set. Registered Providers (e.g. housing associations) may be reluctant to deliver small numbers of homes where there are ongoing management costs involved. For this reason, the proportion of rented homes which can be secured may depend on the willingness of local housing associations to maintain and manage small numbers of homes, although recent evidence strongly suggests that this is not an issue in Redbourn.
157. Mix 2 put forward below aligns as closely as possible with emerging Government policy as currently proposed. If those proposals do not go forward, the recommended starting point for the tenure mix in the NA is recommended to be Mix 1 below. However, the considerations detailed above will remain relevant for determining a more appropriate mix in the light of national policy changes or other unexpected developments.

Table 4-9: Indicative tenure split (Affordable Housing)

Tenure	Mix 1. Indicative mix based on local needs	Mix 2. Indicative mix with 25% First Homes requirement	Considerations and uncertainties
Routes to home ownership, of which	30%	30%	Government proposing min 25% requirement for First Homes. Uncertainty over extent of requirement until policy finalised.
First Homes / discounted market housing ¹⁹	10%	25%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc
Shared ownership	10%	0%	Proposed changes to the model to allow purchases of 10% share ²⁰ - impact on viability unknown RPs business plans currently reliant on shared ownership model. Impact of displacement by First Homes unknown.
Rent to buy	10%	5%	Emerging product with popularity and effectiveness as yet unknown Impact of displacement by First Homes unknown
Affordable Housing for rent, of which	70%	70%	
Social rent	To be set by Registered Providers	To be set by Registered Providers	Uncertain how much funding available to support this tenure in local area, and which sub-tenure (social or affordable rent) is prioritised by the LPA.
Affordable rent	To be set by Registered Providers	To be set by Registered Providers	

Source: AECOM calculations

158. Assuming that the Government's proposal that 25% of all affordable Housing should be First Homes is formalised, the Parish Council will need to take account of how this could impact on affordable housing policies (particularly the tenure mix) in the Neighbourhood Plan. The evidence gathered here suggests that this proposal would not impact on the ability of Redbourn to accommodate those with the most acute needs. However, the Parish Council should note that the First Homes product has not been formally implemented, and should await the outcome of the Government consultation.
159. It is recommended that consideration is also given to alternative mechanisms capable of helping to meet local need, where appropriate (i.e. rural/entry-level exception sites or community led housing etc.) to boost the overall provision of Affordable Housing if the overall scale of development is expected to be insufficient.

4.6 Conclusions- Tenure and Affordability

Affordability issues and tenure options

160. Redbourn had, at the time of the 2011 Census, higher rates of home ownership and social renting, along with a significantly lower rate of private renting, than St Albans. Since the rate of ownership is much higher in St Albans than England as a whole, Redbourn's rate of ownership is significantly above the national average, and the proportion of private renting in the Neighbourhood Plan area (NA) is around half of the national average. Although shared ownership still exists at a higher proportion in Redbourn than St Albans, at just 14 units in 2011 it has capacity to grow.

¹⁹ In the event that the First Homes product does not go forward at all, the proportion of Affordable Housing allotted to First Homes in Mix 1 could be re-allocated to discounted market sales housing if this is available at broadly equivalent discounts, or to other forms of affordable home ownership also recommended in the table.

²⁰ <https://www.gov.uk/government/news/jenrick-unveils-huge-12-billion-boost-for-affordable-homes>

161. Between 2001 and 2011 the number of households renting from a private landlord increased dramatically from 65 to 187 households. This trend tends to be a product of the declining affordability of home ownership – either because of rising house prices or stagnating incomes. It is much more notable in Redbourn than it was across the district or country as a whole.
162. There has been a smooth, steady increase in house prices over the decade with the exception of mild dips in 2012 and 2018. The overall average price for 2019 is 51% higher than the overall average for 2010. It appears that terraced homes have appreciated by the greatest amount, though this may be due to a particularly low figure for 2010.
163. This overall picture suggests that the affordability of home ownership is becoming increasingly out of reach in Redbourn, which aligns with the finding above that private renting has becoming a far more popular option over time. The average flat costs just under £275,000, suggesting that this option could remain achievable for young people, but terraced housing that might suit young families with children is far more expensive at an average of just under £440,000. Semi-detached and, to a greater extent, detached housing remains within reach of only the wealthiest households.
164. AECOM has determined thresholds for the income required to buy a home in the open market (average and entry-level prices), and the income required to afford private rent and the range of Affordable Housing tenures as set out in the National Planning Policy Framework (NPPF). The income required to afford the different tenures is benchmarked against three measurements of household income in Redbourn and its environs. These are the average total household income at £54,000 (for a slightly wider area than the NA) and the lower quartile gross earnings for single-earners at £16,933 and dual-earning households at £33,866 (both for St Albans as a whole).
165. It is apparent that the income required to buy an average market home for sale is more than double what would be available to those on average household incomes. The income required to buy an average entry-level home for sale is still significantly above the average income and nearly three times the spending capacity of a household with two lower quartile earners.
166. Market rents are just affordable to average earning households, but even the average entry-level (2 bedroom) rental price is higher than what a household with two lower quartile earners could afford. Households in which there is only one lower quartile earner appear unable to afford any tenures other than social rent. Many such individuals will, if unable to secure a small social rented dwelling, need to live in a room in a shared house using housing benefit.
167. Households with incomes between £49,000 and £97,000 are able to rent in the market but unable to buy. These households may benefit from affordable home ownership options. While such products would extend home ownership to more people, they would be assisting only very high earners since no other households have a realistic chance to afford them. The discount on the average market sale price required to enable households on average incomes to afford to buy is 57%. For a dual lower quartile earning household, a discount of 73% would be required.
168. These discount levels may not be realistically achievable, so the government's new First Homes products would likely only reach above-average earners or be appropriate for small or dense housing types. However, shared ownership products at low equity shares and rent to buy (if this option is deliverable locally) might widen housing access to a slightly wider group if viable.
169. The discouraging evidence summarised above about affordable home ownership products is derived from calculations using overall or entry-level average house prices. Such averages naturally disguise a variety of possibilities, and it remains plausible that smaller homes, particularly flats, could be delivered at price levels that would be affordable to average and below-average earners in Redbourn. The 2020 South West Hertfordshire Local Housing Needs Assessment (LHNA) target price ranges for discounted market housing serve as a good guide, and show that 1 bedroom properties might be sought at a discounted price of as low as £190,000 if this proves to be viable and these ranges are utilized by SACDC.

Quantity and type of Affordable Housing needed

170. When calculations presented in the LHNA are pro-rated to Redbourn based on its share of the population (3.7% of St Albans's population as of mid-2019), Redbourn can be assumed to have a need for 14 affordable rented homes and 16 affordable home ownership dwellings each year to 2036.
171. However, pro-rating Local Authority level estimates of Affordable Housing need presents problems in practice. The Local Authority level figures are likely to smooth over differences in need between urban and rural areas, where the size of the housing stock and numbers of households living in the private rented sector on housing benefit differ greatly.

172. This report therefore provides alternative calculations that are specific to Redbourn as far as possible. When the future need for affordable rented housing is modelled, the result suggests Redbourn will have a surplus of 7 units per year going forward. This is initially surprising given the fact that there are currently estimated to be around 31 households in need, and in light of the LHNA conclusions referenced above.
173. However, what this model is saying is that the estimated quantity of newly arising need each year is likely to be satisfied by turnover in the existing stock. We assume that roughly 3% of the occupants of Redbourn's social rented stock will vacate their property in any given year, as they move to a new location, pass away, or cease to become eligible as their income rises. This is theoretically enough to satisfy current need (the 31 households are built into the model) and expected newly arising need each year.
174. In practice, it would be better to frontload any future Affordable Housing provision to meet current outstanding needs as soon as possible, leaving newly arising need in future to be met by turnover in the existing stock. Furthermore, there is a clear need for Affordable Housing across the district as a whole, and it is reasonable to expect Redbourn to satisfy some of that need (whether from local households or those elsewhere in the district). Note that this conclusion relates to affordable rented housing that is made available to eligible households on the waiting list, and therefore can be assumed to always be affordable to those households.
175. As such, it is recommended that Redbourn seeks to deliver as much Affordable Housing as possible, with the understanding that if this results in oversupply in future years, the vacancies created when existing occupants leave their properties may need to satisfy new need from elsewhere in the district if Redbourn's households are already accommodated.
176. Turning now to Affordable Housing providing a route to home ownership, we estimate that around 10 households per year may be interested in affordable home ownership. This is not dramatically lower than the LHNA estimate. The model aims to estimate the number of households who can rent but can't buy on the basis of their incomes. It is important to remember that there may be other barriers to these households accessing home ownership on the open market, including being unable to save for a deposit, or being unable to afford a home of the right type/size or in the right location.
177. It is also important to keep in mind that the households identified in this estimate are, by and large, adequately housed in the private rented sector. They do not lack their own housing but would prefer to buy rather than rent. They have been included in the national planning definition of those in need of Affordable Housing, but their needs are less acute than those on the waiting list for affordable rented housing.
178. The Parish Council may wish to develop policies in relation to the delivery of Affordable Housing within Redbourn. St Albans's existing policy on this subject is provided in its Supplementary Planning Guidance, where 35% of all new homes on sites of 15 or more dwellings are expected to be delivered as Affordable Housing. This policy would apply in Redbourn, subject to sites coming forward for development with 15 or more dwellings. However, given its relative age there may be potential for Redbourn to develop its own policy guidance on this topic.
179. There may also be potential for the Neighbourhood Plan to influence the mix of Affordable Housing tenures that come forward within the overall total.
180. The LHNA findings appear to suggest a broadly equal need for rented and ownership products. However, because those seeking ownership have far less acute needs, the LHNA advises that as much affordable rented housing should be secured as viability allows. It recommends that 85% of Affordable Housing in St Albans consist of rented tenures, with the remaining 15% as affordable home ownership.
181. Likewise, although the HNA estimates suggest that there is no need for rented Affordable Housing, leaving affordable home ownership to be prioritised fully, there are a number of counter-arguments in this case. These include the overall scale of rented need across the district, the current backlog of rented need in Redbourn, and the need to act prudently in case economic circumstances change or the assumptions for turnover used here are not borne out in practice. However, the most important evidence against prioritizing affordable home ownership is that all the potential options have been found to remain out of reach for the vast majority of local people, with average earners only benefitting if extremely generous discounts can be achieved.
182. As a result, this HNA recommends following the LHNA logic of prioritising affordable rented housing for those with the most acute needs to the greatest extent possible, while still allowing for some measure of affordable home ownership (and adhering to government requirements on this subject). A headline Affordable Housing tenure mix of 70% rented and 30% ownership is recommended. This suggestion should be considered, and amended if required, in light of the community's objectives. For example, while this balance might help to accommodate young families on lower incomes, it provides fewer options for retaining them should they wish to purchase their own homes in future.

183. The breakdown of suitable products within the affordable home ownership category may need to flex in response to national policy guidance that is currently being consulted on. Detail on the potential scenarios is provided in the main body of the report.

5. RQ 2: Type and Size

RQ 2: What type (terrace, semi, bungalows, flats and detached) and size (number of bedrooms) of housing is appropriate for the Plan area over the Neighbourhood Plan period?

5.1 Introduction

184. The Redbourn Neighbourhood Plan may benefit from the inclusion policies informed by evidence on what sizes and types of housing would be best suited to the local community. This will help ensure that future developments give local people options within the housing market at all stages of life.
185. PPG recommends a consideration of the existing housing provision and its suitability, having regard to demographic shifts in age and household composition, to address future, as well as current community need. For this reason, we firstly consider the type and size of the existing housing stock in Redbourn. Demographic shifts in age and household composition will then be considered. Finally, the future demand for housing by size and type is determined by the way different household types currently occupy their dwellings in the wider Local Authority area, and then applying demographic projections of how the Neighbourhood Area population is likely to change by the end of the Plan period.

5.2 Existing types and sizes

5.2.1 Background and definitions

186. Before beginning our consideration of dwelling type and size, it is important to understand how different types of households occupy their homes. Crucially, and unsurprisingly, household 'consumption' of housing (in terms of housing size) tends to increase alongside wages, with the highest earning households consuming relatively more (i.e. larger) housing than those on lower incomes. Similarly, housing consumption tends to increase, alongside wealth, income, and age, such that older households tend to have larger homes than younger households, often as a result of cost and affordability.
187. In this context, even smaller households (those with fewer than three inhabitants) may be able to choose to live in larger homes than they require, and would be defined in Census terms as under-occupying their homes. This is a natural feature of the housing market, and can distort considerations of future housing needs, with market dynamics and signals giving a very different picture to demographics, household type and size.
188. In order to understand the terminology surrounding dwelling size analysis, it is important to note that the number of rooms recorded in Census data excludes some rooms such as bathrooms, toilets and halls. Dwelling size data is collected by determining the number of rooms being occupied by each household. In the section that follows, 'dwelling sizes' can be translated as follows²¹:
- 1 room = bedsit
 - 2 rooms = flat/house with one bedroom and a reception room/kitchen
 - 3 rooms = flat/house 1-2 bedrooms and one reception room and/or kitchen
 - 4 rooms = flat/house with 2 bedroom, one reception room and one kitchen
 - 5 rooms = flat/house with 3 bedrooms, one reception room and one kitchen
 - 6 rooms = house with 3 bedrooms and 2 reception rooms and a kitchen, or 4 bedrooms and one reception room and a kitchen
 - 7+ rooms = house with 4 or more bedrooms
189. It is also useful to clarify the Census terminology around dwellings and households spaces. These can be confusing where different terminologies such as flats, apartments, shared and communal dwellings, and houses in multiple occupation, are used. Dwellings are counted in the Census by combining address information with Census returns on whether people's accommodation is self-contained.²² As such, all dwellings are classified into either "shared" or "unshared" dwellings. Household spaces make up the individual accommodation units forming part of a shared dwelling.
190. The key measure of whether a dwelling is shared or unshared relates to the Census' definition of a household. A household is defined as "One person living alone or a group of people (not necessarily related) living at the same

²¹ At <https://www.nomisweb.co.uk/census/2011/qs407ew>

²² At <https://www.gov.uk/guidance/dwelling-stock-data-notes-and-definitions-includes-hfr-full-guidance-notes-and-returns-form>

address who share cooking facilities and share a living room or sitting room or dining area.”²³ On this basis, where unrelated residents of a dwelling share rooms other than a kitchen, this would be considered a single household in an unshared dwelling, whilst where only a kitchen is shared, each resident would be considered their own household, and the dwelling would be considered shared.

5.2.2 Dwelling type

191. The 2011 Census shows that there were 2,274 dwellings in Redbourn, 741 of which were detached houses, 711 semi-detached houses, 506 terraced houses, and 302 flats (anomalies and undetermined dwellings make up the total). Compared with St Albans, Redbourn has a much higher proportion of detached and slightly more semi-detached and terraced homes, with a lower proportion of flats (see Table 5-1 below).

Table 5-1: Accommodation type (households), Redbourn 2011

Dwelling type		Redbourn	St Albans	England
Whole house or bungalow	Detached	32.6%	26.7%	22.4%
	Semi-detached	31.3%	30.1%	31.2%
	Terraced	22.3%	21.1%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	11.0%	18.1%	16.4%
	Parts of a converted or shared house	1.3%	2.5%	3.8%
	In commercial building	0.9%	1.1%	1.0%

Source: ONS 2011, AECOM Calculations

192. These figures unfortunately cannot be brought up to date, either using completions data which was not able to be provided by SACDC, or with reference to Valuation Office Agency (VOA) data which is not available at parish level and would consequently be skewed by a fairly significant number of rural properties in the surrounding area (around 400 additional to the 2011 Census total for the Redbourn HNA, totaling 2,860).

5.2.3 Bungalows

193. As the ONS Census data does not capture bungalows as a distinct type, and this typology is generally considered a valuable way of meeting the needs of an ageing population, VOA data is drawn upon to reveal their relative prevalence in the NA. However, as noted above, the areas specified in VOA data do not align with the Redbourn parish boundary, so the below data relates to the wider MSOA area specified in Appendix A. The overall proportion of bungalows in this area may be sufficiently similar to that of the Redbourn NA to enable conclusions to be drawn. The results are presented in Table 5-2 below. Note also that VOA data is rounded to the nearest 10 for each category.
194. The data shows that the rate of bungalow provision Redbourn's wider MSOA, at 9% of all properties, is higher than that of St Albans, at 6%. The VOA data suggests that there is no significant undersupply of bungalows in Redbourn relative to the wider District, nor to the England average, which is 9.4%.
195. Comparing the size distribution of Redbourn's bungalows with the size distribution of all housing (see Table 5-5 below) reveals that the bungalows are strongly skewed to the smaller end of the size spectrum. This is logical, since bungalows are understood to be occupied predominantly by older households who are less likely to have large families and therefore require fewer bedrooms. However, more diversity in the size options of bungalows in future development may be beneficial. In particular, 1 bedroom bungalows are understood to be not the preferred size for many older or disabled residents, given that there is little space for visitors or live-in support.

²³ Ibid.

Table 5-2: Number of bungalows by property size, 2019

	Redbourn MSOA (number)	Redbourn MSOA (%)	St Albans (number)	St Albans (%)
1 bedroom	50	20%	500	13.5%
2 bedrooms	70	28%	1,680	45.4%
3 bedrooms	80	32%	1,070	28.9%
4 bedrooms +	40	16%	400	10.8%
Unknown	10	4%	50	1.4%
Total bungalows	250	9.3%	3,700	6%
Total properties	2,680	100%	61,550	100%

Source: Valuation Office Agency, Council tax: stock of properties, 2020, Table CTSOP3.1

5.2.4 Dwelling size

196. Table 5-3 below sets out the distribution of the number of rooms by household space. The housing stock in Redbourn is dominated by mid-sized homes with 4-6 rooms, and closely resembles the pattern of wider St Albans. Perhaps the most significant departure is the slightly higher rate of homes in each category above 5 rooms in Redbourn.

Table 5-3: Number of rooms per household in Redbourn, 2011

Number of Rooms	2011 Redbourn	2011 St Albans
1 Room	0.1%	0.5%
2 Rooms	1.9%	2.6%
3 Rooms	7.7%	9.1%
4 Rooms	16.1%	17.0%
5 Rooms	18.8%	18.7%
6 Rooms	18.8%	18.4%
7 Rooms	13.2%	12.7%
8 Rooms	10.6%	9.6%
9 Rooms or more	12.7%	11.3%

Source: ONS 2011, AECOM Calculations

197. It is also relevant to consider how the number of rooms occupied by households changed between the 2001 and 2011 Censuses. The main change from the 2001 Census findings is a contraction in homes with 1 rooms (though from a low base of 6 in 2001 to 3 in 2011, possibly due to demolition and replacement, or extension of such homes), similarly large growth from a low base in 2 room dwellings (from 23 to 42), and a particularly high increase in homes with 8 rooms or more (from 347 in 2001 to 513 in 2011). This trend is broadly consistent with that seen across St Albans and England. (Note that the 2001 Census data counted '8 rooms or more' as the largest dwelling size, which was changed to '9 rooms or more' – hence the use of '8 rooms or more' only in this comparison table.)

Table 5-4: Rates of change in number of rooms per household in Redbourn, 2001-2011

Number of Rooms	Redbourn	St Albans	England
1 Room	-50.0%	-20.2%	-5.2%
2 Rooms	82.6%	26.0%	24.2%
3 Rooms	22.5%	17.0%	20.4%
4 Rooms	23.7%	2.7%	3.5%
5 Rooms	-6.5%	-5.8%	-1.8%
6 Rooms	1.7%	-4.6%	2.1%
7 Rooms	18.9%	11.9%	17.9%
8 Rooms or more	47.8%	29.2%	29.8%

Source: ONS 2001-2011, AECOM Calculations

198. Returning to the most recent Census data, it is also useful to compare the figures for number of rooms with figures for the number of bedrooms for each household. Table 5-5 below summarises the proportion of households occupying each size of home in terms of the number of bedrooms. This data shows that Redbourn's stock of dwellings by size is broadly similar to that of St Albans, with a majority having 3 bedrooms, and similar proportions of most other sizes except for a larger proportion of 4 bedroom homes in Redbourn and slightly lower proportions in other sizes. Again, it was unfortunately not possible to bring these statistics up to date by including completions or VOA data since 2011.

Table 5-5: Number of bedrooms in household spaces in Redbourn, 2011

Bedrooms	Redbourn		St Albans		England	
All categories: no. of bedrooms	2,199	100.0%	56,140	100.0%	22,063,368	100.0%
No bedrooms	0	0.0%	106	0.2%	54,938	0.2%
1 bedroom	207	9.4%	6,018	10.7%	2,593,893	11.8%
2 bedrooms	481	21.9%	13,294	23.7%	6,145,083	27.9%
3 bedrooms	808	36.7%	20,053	35.7%	9,088,213	41.2%
4 bedrooms	542	24.6%	12,143	21.6%	3,166,531	14.4%
5 or more bedrooms	161	7.3%	4,526	8.1%	1,014,710	4.6%

Source: ONS 2011, AECOM Calculations

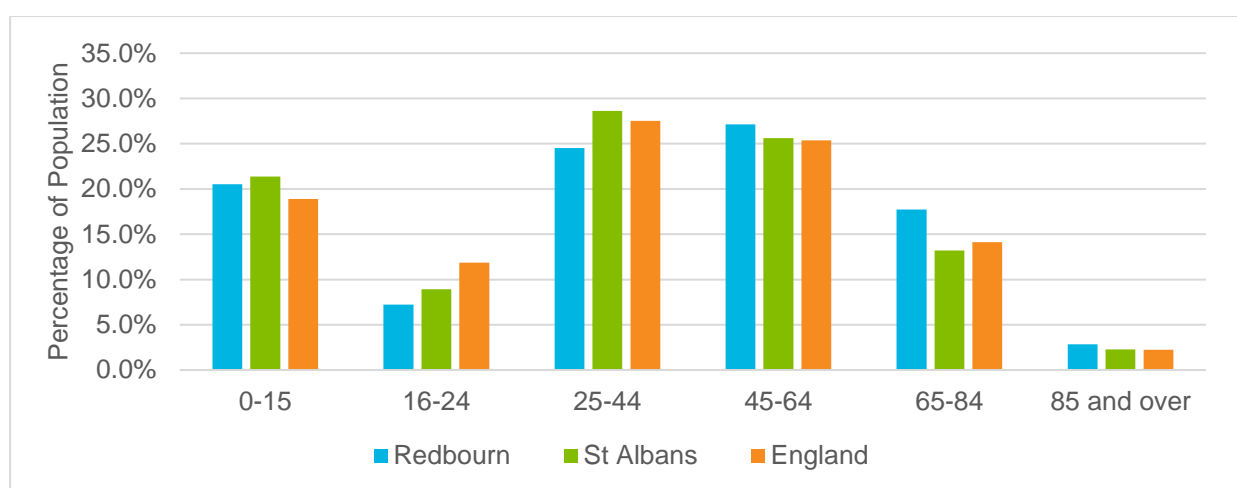
5.3 Household composition and age structure

199. Having established the current stock profile of Redbourn and identified recent changes to, the evidence assembled below examines the composition and age structure of households in the 2011 Census and in future years. Through a consideration of the types of households projected to form over the Neighbourhood Plan period, and the mix of age groups suggested by demographic projections, it becomes possible to consider the type and size of housing needed in the Neighbourhood Plan area by the end of the planning period.

5.3.1 Age structure

200. The 2011 Census data reveals that Redbourn had a particularly large segment of the population aged 45-84, with correspondingly lower proportions of the population falling into younger age bands – particularly in the 16-44 categories, when compared with St Albans and England (see Figure 5-1 below).

Figure 5-1: Age structure in Redbourn, 2011



Source: ONS 2011, AECOM Calculations

201. This data can be brought up to date using ONS mid-year population estimates for 2019. It is worth noting that ONS advised exercising particular caution with population estimates by single year of age, as patterns of variance and bias mean the data is relatively less accurate. The single year data for Redbourn in mid-2019 has been grouped into age bands to match the 2011 Census, and a side-by-side comparison is given in Table 5-6 below. The population structure appears not to have shifted dramatically since the 2011 Census. The biggest change is the reduction in the 25-44 age group, which is compensated for by moderate growth in most other categories, particularly those aged above 65.
202. It is worth noting that only the age structure of the population can be brought up to date in this way. The age or life-stage of household groups, which form the basis of the analysis of future dwelling size needs, is not estimated each year. The 2011 Census therefore remains the most accurate basis to use in those areas, and the brief comparison here demonstrates that the change from 2011-2019 has not been so significant as to invalidate the 2011 household data.

Table 5-6: Age structure of Redbourn population, 2011-2019

Age group	2011	2019
0-15	20.5%	21.2%
16-24	7.2%	7.6%
25-44	24.5%	20.5%
45-64	27.1%	27.1%
65-84	17.7%	19.6%
85 and over	2.8%	3.9%

Source: ONS 2011, ONS mid-2019 population estimates, AECOM Calculations

5.3.2 Household composition

203. Household composition (i.e the mix of adults and children in a dwelling) is an important factor in driving the size (and to an extent, the type) of housing needed over the Neighbourhood Plan period.
204. In assessing Census data on household composition, presented in Table 5-7 below, it is apparent that Redbourn closely resembles wider St Albans in its proportion of families and one-person households, and the broad age balance within these categories. As shown in the data above, there are slightly more 65 and over households in Redbourn, as well as a slightly lower share of households with dependent children.
205. Note that non-dependent children refer to households in which adult children are living at home, or students still call their primary residence despite living for most of the year near to university. Though this category can often indicate the relative unaffordability of entry-level homes in an area as many such young people may wish to move out and form their own households if they were financially able.

Table 5-7: Household composition (by household), Redbourn, 2011

Household composition		Redbourn	St Albans	England
One person household	Total	26.8%	26.7%	30.2%
	Aged 65 and over	13.1%	11.4%	12.4%
	Other	13.7%	15.3%	17.9%
One family only	Total	69.1%	67.4%	61.8%
	All aged 65 and over	12.5%	8.6%	8.1%
	With no children	18.1%	18.3%	17.6%
	With dependent children	29.2%	31.4%	26.5%
	All children Non-Dependent ²⁴	9.2%	9.0%	9.6%
Other household types	Total	4.1%	5.9%	8.0%

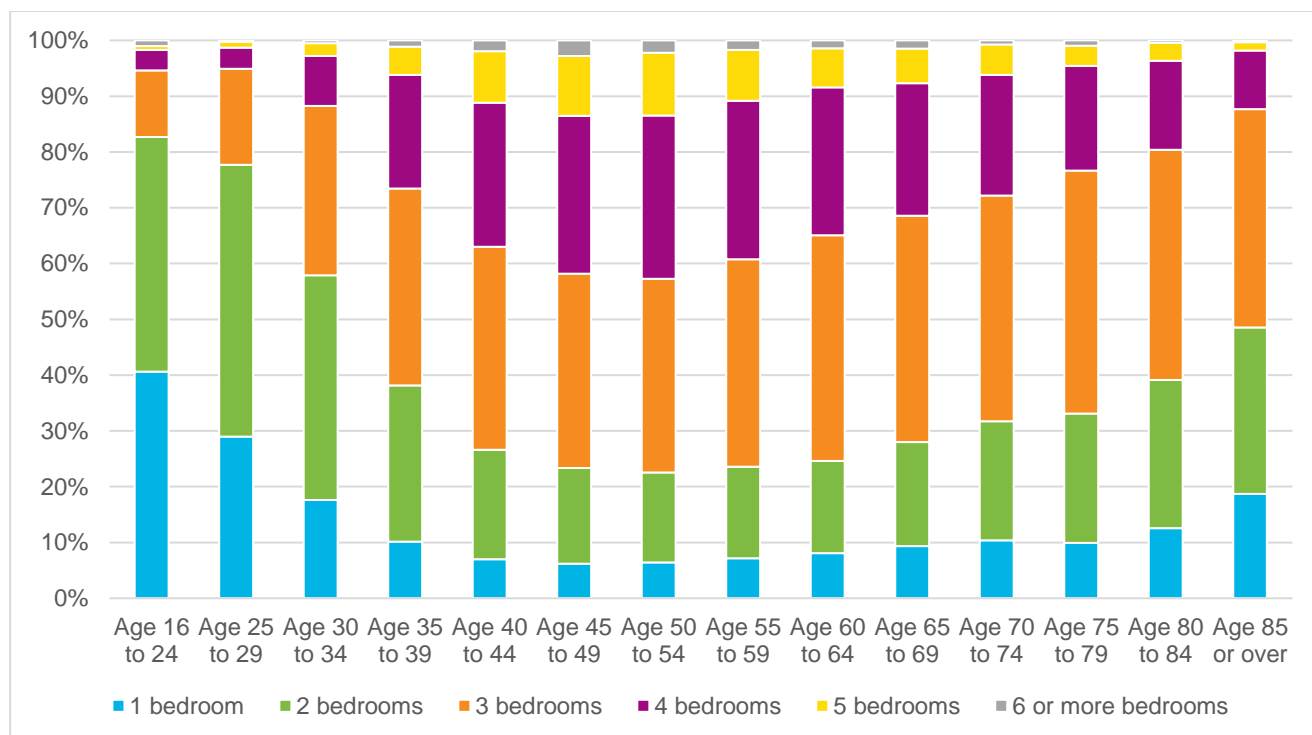
Source: ONS 2011, AECOM Calculations

5.4 Dwelling mix determined by life-stage modelling

206. Recognising the fact that households of different ages may have different housing needs, the housing mix needed to meet demographic change by the end of the Plan period is estimated by an approach based on current occupation patterns – that is, the propensity of households of different ages to occupy different types of accommodation – will persist into the future. For example, projected growth in households aged under 24 will lead to an increase in the need for the type of housing currently occupied by households of that age.
207. It is important to keep in mind that this exercise provides an estimate based on demographic trends and occupancy patterns alone. It does not take into account income and wealth, other than in an indirect way through the propensity of households to occupy more or less space than they 'need'. This approach also embeds existing patterns of occupancy which may or may not be desirable. This is particularly important to keep in mind in areas where housing affordability has worsened because it means that many households are forced to occupy less space than they need or want.
208. However, no data on housing size occupation by age of the Household Reference Person (HRP- a more modern term for 'head of household') is available at neighbourhood level. For this reason, Local Authority-level data needs to be used as the closest proxy.
209. Figure 5-2 below sets out the relationship in the 2011 Census at St Albans level between the age of the HRP and the size of dwelling occupied. This provides the starting point for determining the most appropriate dwelling size mix by the end of the Neighbourhood Plan period. The data shows that while the majority of St Albans residents live in 1 and 2 bedroom properties until the age of 34, the preference turns to dwellings of 3 bedrooms for every other life stage. The preference for 4 bedroom dwellings follows the trend of 3 bedroom dwellings, with a concentration between the ages of 40 and 64, while the preference for 1 bedroom homes is minimal other than in the very youngest age groups.

²⁴ Refers to households containing children who are older than 18 e.g students or young working people living at home.

Figure 5-2: Age of household reference person by dwelling size in St Albans, 2011



Source: ONS 2011, AECOM Calculations

210. Household projections provided by MHCLG are then used to understand the future distribution of households by the age of the HRP. Again, this data is only available at the Local Authority level, and only for the years 2018 and 2043. Therefore, the distribution of households by the age of the HRP would be in 2036 (i.e. the end of the Neighbourhood Plan period) is estimated and shown in red in the table. The data is presented in Table 5-8 below.

Table 5-8: Projected distribution of households by age of HRP, St Albans

Year	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	892	7,166	24,495	9,557	14,030
2018	935	5,772	25,392	9,852	15,960
2036	832	5,737	22,984	11,149	20,791
2043	792	5,723	22,047	11,654	22,670

Source(s): MHCLG 2018-based household projections, ONS 2011, AECOM Calculations

211. It is then necessary to extrapolate from this Local Authority-level data an estimate of the corresponding change in the age structure of the population in Redbourn. To do so, the percentage increase expected for each group across St Albans, derived from the data presented above, is mapped to the population of Redbourn. The results of this calculation are detailed in Table 5-9 below. It is clear from this data that all age groups below 55 are expected to decline, while older age groups increase substantially. It is this ageing of the population that, if the current population is left to evolve without the arrival of new households, that can be expected to drive population growth going forward.

Table 5-9: Projected distribution of households by age of HRP, Redbourn

Year	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	15	170	899	429	686
2018	16	137	932	442	780
2036	14	136	844	500	1,017
% change 2011-2036	-6.7%	-19.9%	-6.2%	16.7%	48.2%

Source: AECOM Calculations

212. Finally, having established the likelihood shown by households at different life-stages towards dwellings of different sizes in Figure 5-2, and the approximate number of households in St Albans and Redbourn falling into each of these stages by the end of the Plan period in 2036, it is possible to estimate how the housing stock might best evolve in terms of size over the Neighbourhood Plan period in response to demographic change (see Table 5-10 below).
213. The table takes in turn each projected age group in 2036, estimating how many of the households in that age bracket will want or need to occupy each size of dwelling according to the preferences captured in St Albans data presented above. This is repeated for each age bracket and added together to arrive at an estimation of what proportion of each size of dwelling will be required overall.

Table 5-10: Likely dwelling size distribution in Redbourn by the end of the Plan period, based on modelled household life-stages (totals may not sum due to rounding)

Size	Age of HRP 16 to 24	Age of HRP under 35	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over	Total households requiring dwelling sizes
Households 2036	14	136	844	500	1,017	-
1 bedroom	6	30	63	38	120	256
2 bedrooms	6	59	171	83	237	555
3 bedrooms	2	35	298	194	417	946
4 bedrooms	1	10	219	137	191	557
5+ bedrooms	0	3	93	48	52	197

Source: Census 2011, AECOM Calculations. Figures may not sum due to rounding

214. It is now possible to compare the 2011 housing mix in terms of size with the projected requirement based on the estimates set out in Table 5-10 above modelling the change in the age structure of the population in Redbourn.
215. Table 5-11 below indicates that, by 2036, the size distribution of dwellings should be broadly similar to the 2011 breakdown, though with small increases in smaller dwelling size categories and small declines in larger ones.

Table 5-11: 2011 housing sizes compared to ideal distribution at end of Plan period, Redbourn

Number of bedrooms	2011		2036	
1 bedroom	207	9.4%	256	10.2%
2 bedrooms	481	21.9%	555	22.1%
3 bedrooms	808	36.7%	946	37.7%
4 bedrooms	542	24.6%	557	22.2%
5 or more bedrooms	161	7.3%	197	7.8%
Total households	2,199	100.0%	2,511	100.0%

Source: Census 2011, AECOM Calculations

216. To achieve the target state in 2036 presented above, Table 5-12 below sets out the proportion of new housing that should be delivered in each size category. It is apparent that continued provision of all size categories will be needed, but with a strong weighting on 3 bedroom, and to a lesser extent, 2 bedroom homes. There will be need for 1 and 5 bedroom homes, but very few further 4 bedroom homes – primarily because these are oversupplied at present.
217. The result of this life-stage modelling exercise is to suggest that, in terms of expected demographic trends, new development might benefit from a focus on medium and small sized dwellings. This will help to accommodate any unmet demand for smaller properties to which older households may wish to downsize, in the process vacating larger houses that might be occupied by families. An emphasis on smaller homes should also help to accommodate Redbourn's cohort of younger people who are currently not well served by housing options in the area. Smaller homes are also likely to be more affordable, something which is direly needed in Redbourn (refer to Tenure and Affordability chapter).
218. This recommended size mix is the result of a modelling exercise that depends on existing data, assumptions, and to a degree embeds existing trends. It should be used with a degree of caution, and could go hand-in-hand with more qualitative evidence about the needs of local people and the community's wider objectives. If these include a desire to attract and retain younger people, this baseline size mix could be further adjusted to favour smaller and more affordable homes. Additionally, the occupancy preferences of households may have moved on since 2011 – particularly as a result of the shift to home working accelerated by the Covid-19 pandemic. Such trends are unfortunately not possible to quantify here, but could be incorporated at the policy-making stage by drawing on primary data or the views of the community.

Table 5-12: Future potential misalignments of supply and demand for housing, Redbourn

Number bedrooms	of 2011	2036	Change to housing mix	Recommended split
1 bedroom	207	256	49	15.7%
2 bedrooms	481	555	74	23.9%
3 bedrooms	808	946	138	44.1%
4 bedrooms	542	557	15	4.8%
5 or more bedrooms	161	197	36	11.5%

Source: AECOM Calculations

219. Note that only the percentage mix in the right-hand column is relevant to the purposes of this HNA and the neighbourhood planning process. The actual numbers of dwellings required to adjust the size mix do not reflect that actual quantity of housing needed in the NA and are simply a step in the calculation necessary to produce a percentage split. As a general point, this dwelling mix in percentage terms stands alone from the overall quantity of housing needed or allocated over the Plan period, and could equally apply to windfall development, allocations beyond the plan period, or any other source of housing supply.

5.5 LHNA findings

220. The LHNA provides an overall target dwelling size mix for the entire HMA (extending beyond St Albans only). Different mixes are provided for different tenures. This is reproduced below:

Size	Market	Affordable Homes to Buy	Affordable Homes to Rent
1-bedroom	5%	25%	30%
2-bedrooms	20%	40%	35%
3-bedrooms	45%	25%	25%
4+-bedrooms	30%	10%	10%

221. It is evident that the HMA-wide market housing mix seeks similar proportions of 2 and 3 bedroom homes as are recommended here for Redbourn, but a lower proportion of 1 bedroom homes and more homes with 4 or more bedrooms. This difference can be explained by the higher current proportion of 1 bedroom homes across the HMA as a whole than in Redbourn, together with the LHNA's finding that 1 bedroom homes are primarily suitable for those in social and private rented accommodation than for those wishing to buy. This can be seen in the Affordable Housing mixes, which restore a higher proportion of more affordable 1 bedroom properties in the target mix.
222. The LHNA mix may be used as further evidence to both adjust the mix proposed for Redbourn here, and to help influence

how dwellings of different sizes are distributed across the market and Affordable Housing tenures going forward.

5.6 Conclusions- Type and Size

223. This study provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the NA or on any particular site. These include the characteristics of the existing stock of housing, the role of the NA or site within the wider housing market area (linked to any LA strategies or plans) and site-specific factors which may justify a particular dwelling mix.
224. Compared with St Albans, Redbourn has a much higher proportion of detached and slightly more semi-detached and terraced homes, with a lower proportion of flats. Redbourn's rate of bungalow provision, at 9% of all properties, is higher than that of St Albans, at 6%. The VOA data suggests that there is no significant undersupply of bungalows in Redbourn relative to the wider District, nor to the England average, which is 9.4%.
225. Comparing the size distribution of Redbourn's bungalows with the size distribution of all housing reveals that the bungalows are strongly skewed to the smaller end of the size spectrum. This is logical, since bungalows are understood to be occupied predominantly by older households who are less likely to have large families and therefore require fewer bedrooms. However, more diversity in the size options of bungalows in future development may be beneficial. In particular, 1 bedroom bungalows are understood to be not the preferred size for many older or disabled residents, given that there is little space for visitors or live-in support.
226. The housing stock by size in Redbourn is dominated by mid-sized homes with 4-6 rooms, and closely resembles the pattern of wider St Albans. Perhaps the most significant departure from the District trend is the slightly higher rate of homes in each category above 5 rooms in Redbourn. A majority of dwellings have 3 bedrooms, and Redbourn and St Albans share a similar overall mix except for a larger proportion of 4 bedroom homes in Redbourn.
227. 2011 Census data reveals that Redbourn had a particularly large segment of the population aged 45-84, with correspondingly lower proportions of the population falling into younger age bands – particularly in the 16-44 categories, when compared with St Albans and England. The 2011 age profile in Redbourn has been compared with 2019 estimates, but there is relatively little difference other than a 4 percentage point decline in the 25-44 age group and slightly higher proportions in other age groups. While the 85+ age group has only expanded by 1.1 percentage points, this represents a nearly 40% increase on raw numbers.
228. The large 65+ cohort is likely to reach retirement age over the Plan period and could become the largest source of demand for housing, whether they intend to occupy the same dwellings they currently live in, or perhaps move within the community to a home better suited to the size of their household or their evolving needs. A Demos survey conducted in 2013 found that 76% of older households occupying homes with three or more bedrooms might consider downsizing (see Specialist Housing chapter for further detail). Applying St Albans household projections to the Redbourn population suggests that all age groups below 55 are expected to decline by 2036, while older age groups increase substantially.
229. The results of a life-stage modelling exercise, which looks at the sizes of dwelling occupied by different age groups and projects the growth and decline of those age groups over the Plan period in order to understand what should be built, suggests that new development might benefit from a focus on medium and small sized dwellings (i.e. those with 2 and 3 bedrooms)
230. This will help to accommodate any unmet demand for smaller properties to which older households may wish to downsize, in the process vacating larger houses that might be occupied by families. An emphasis on smaller homes should also help to accommodate Redbourn's cohort of younger people who are currently not well served by housing options in the area. While home size is important in serving those households better, issues of affordability are likely to be more important (for example, the need to provide affordable rented housing and subsidized options providing a pathway to ownership). These issues are covered in the tenure and affordability chapter.
231. This recommended size mix is the result of a modelling exercise that depends on existing data, assumptions, and to a degree embeds existing trends. It should be used with a degree of caution, and could go hand-in-hand with more qualitative evidence about the needs of local people and the community's wider objectives. If these include a desire to attract and retain younger people, this baseline size mix could be further adjusted to favour smaller and more affordable homes.

232. Additionally, the occupancy preferences of households may have moved on since 2011 – particularly as a result of the shift to home working accelerated by the Covid-19 pandemic. Such trends are unfortunately not possible to quantify here, but could be incorporated at the policy-making stage by drawing on primary data or the views of the community.
233. In the Tenure and Affordability chapter analysis, it was found that market housing is unaffordable to most local people and that those on the lowest incomes are unable to afford to live outside of the social rented sector. While Affordable Housing should be well balanced in terms of size to cater for all circumstances, the provision of smaller homes for sale and rent, as advised here, should make an important contribution to improving affordability more widely. If older households wishing to downsize and younger ones seeking to form their own independent households are to be able to afford to live in Redbourn, increasing the provision of small and mid-size homes and, in so doing, rebalancing the housing stock away from generally larger housing, could be valuable.
234. This report does not provide a target state for the mix of housing types in Redbourn, since type is more a matter of wealth, taste and other factors than need in the strict sense. House type is also not so clearly correlated with life stage as house size, which was used to estimate the target size mix above. However, given the findings on affordability, it may be beneficial to plan for more of the higher density and lower cost types, such as terraces and flats.
235. It should be noted, given Redbourn's ageing population, that flats are just as capable as other housing typologies of accommodating older people with mobility issues, when the units and buildings are well-designed with their needs in mind (e.g. large lifts, wide corridors with turning space, and other features). In accordance with the findings in relation to specialist housing, the Neighbourhood Plan might influence the suitability of all new housing through ambitious accessibility and adaptability standards (which would apply to all home types).
236. There is also some potential for the Neighbourhood Plan to influence the characteristics of new homes beyond their size, type and tenure, for instance by encouraging flexible layouts for multigenerational living and home working. There is no secondary data for Redbourn specifically that can be gathered here to support this, but the priorities of the community as evidenced through a household survey would be sufficient justification to provide guidance on this subject. Evidence of trends affecting the country as a whole are also relevant. For more on this see the executive summary section on the potential impacts of the Covid-19 pandemic.

6. RQ3: Specialist housing for older people

RQ3: What provision should be made for specialist housing for older and disabled people over the Neighbourhood Plan period?

6.1 Introduction

238. This chapter considers in detail the specialist housing needs for older and disabled people in Redbourn. It considers the quantity and tenure of dwellings that might be required. It is important to keep in mind that there is no formal definition of 'old age'. People experience ageing differently and much depends on their health, lifestyle and relationship with work. Some people live healthy and active lives into advanced old age whilst others may need support and care much earlier in their lives. It is useful to think of two main stages in later life: the '3rd age' – where people are healthy and active and may or may not continue to work and the '4th age' – where older people need care and support to meet their health needs.²⁵ These two stages are not necessarily related to age though most people in advanced old age (85+) will need care or support at some point in their lives. The housing needs of these two groups can be markedly different.
239. In the Planning Practice Guidance (PPG), the Government states that plans need to provide for specialist housing for older people where a need exists. Innovative and diverse housing models will need to be considered where appropriate.²⁶
240. It is important to note that, as stated in the PPG, the need for housing for particular groups of people may well exceed, or be proportionally high in relation to, the overall (i.e. the total) housing need figure. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as a baseline as opposed to the projected new households which form the baseline for the standard method.²⁷
241. In considering the need or demand for specialist housing for older people it is appropriate to consider the population aged 75+ since this group is more likely to access this type of housing. The needs of this sector of the population have been assessed through two methods. The first is a tenure-led projection, based on the tenure of dwellings typically occupied by people in this age group. The second, included for the purposes of comparison, is based on the Housing Learning and Improvement Network's (HLIN) Strategic Housing for Older People (SHOP) tool²⁸, which is based on best practice nationally and sets a recommended level of provision per 1,000 head of population.
242. Housing needs assessment covers the need for houses that fall for the purposes of the planning system into Use Class C3 (private dwellings)²⁹. Any assessment of need for residences that fall into Use Class C2 (residential institutions, which include prisons, boarding schools and some care homes for the elderly) would be a separate exercise outside the scope of a standard HNA. Unfortunately, however, the dividing line between care homes for older people that fall into use class C2 and those where accommodation is counted as C3 is blurred. In some cases, extra care schemes, particularly those where independent living is emphasised and care provision is more limited, will be counted as C3. However, in other cases, particularly where care provision is higher, they will be counted as C2. There is no hard and fast rule- clear differentiation between the two has not been set in government policy.
243. As such, existing and future specialist housing for older people may be either C2 or C3, but the important point is that it is not possible to state definitively at the time of assessment whether any new provision forecast to be needed on the basis of current evidence will fall into use class C2 or C3. The distinction is important because accommodation in C2 buildings does not count towards the overall housing target for the neighbourhood plan areas whereas C3 accommodation units do. Therefore, it is not possible to state at this point the extent of overlap, if any, between the overall quantity of specialist housing forecast to be required and the overall housing quantity figure for the plan area.

²⁵ University of Sheffield & DWELL (2016) Designing with Downsizers

²⁶ See Paragraph: 012 Reference ID: 63-012-20190626 at <https://www.gov.uk/guidance/housing-for-older-and-disabled-people#identifying-the-housing-requirements-of-older-and-disabled-people>

²⁷ See Paragraph: 017 Reference ID: 2a-017-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>)

²⁸ Available at <https://www.housinglin.org.uk/Topics/browse/HousingExtraCare/ExtraCareStrategy/SHOP/SHOPv2/>

²⁹ For a full description of Planning Use Classes, please refer to https://www.planningportal.co.uk/info/200130/common_projects/9/change_of_use

6.2 Housing for older people - context

244. MHCLG's guidance on housing for older and disabled people states that the need to provide housing for older people is critical. People are living longer lives and the proportion of older people in the population is increasing. In mid-2016 there were 1.6 million people aged 85 and over; by mid-2041 this is projected to double to 3.2 million.
245. Almost a third of UK homes are occupied by the 55+ age group, yet only 7% of UK stock is currently recognised as meeting minimum accessibility standards, which means few older people can find options that will improve their quality of life. This is reflected in evidence that just 3.4% of 50+ households move home each year, which is half as many moves as rest of population. Perhaps surprisingly, just under half of moves result in fewer habitable rooms because many older people need or want to retain space for activities, to retain a life time of possessions, accommodating visitors or caring for grandchildren. For some, social status can be a in deciding to move to a home with significantly fewer rooms.³⁰
246. The concept of 'rightsizing' (formally referred to as downsizing) recognizes that the situations, desires and needs of the older population are no less diverse than their family circumstances. The actual choices available to older people, however, are limited to the housing provisions that are both available and accessible to them. Not surprisingly the vast majority of older people currently tend to age in place until circumstances mean their home environment becomes a decisive barrier to their well-being. Research indicates that very few properties are designed to support ageing in place (see below). Thus whilst many people do not wish to move home, there is also evidence that there is large scale unmet demand to move³¹ with many older people stuck in a 'rightsizing gap'.³²
247. A Demos survey of over 60s conducted in 2013 found a "considerable appetite" amongst this age group to move to a new property, with one quarter of all those surveyed suggesting they would be interested in buying a specialist property, and one quarter considering renting a specialist home.³³
248. Indeed, 76% of those in homes of three or more bedrooms wished to rightsize, and this increased to 99% of those in homes of five or more bedrooms, with two bedrooms the preferred choice for both.³⁴ However, in spite of evidence of high demand, currently only 5% of older people's housing is made up of specialist homes,³⁵ with Demos suggesting that, "the chronic under-supply of appropriate housing for older people is the UK's next housing crisis",³⁶ and local authorities are often, "accused of reluctance to approve development plans for specialist housing....out of fear of increased care costs".³⁷ Indeed, whilst many of those surveyed may consider moving, the percentage that ultimately do is likely to be relatively low, and many who downsize may move into mainstream housing.
249. Offering older people a better choice of accommodation to suit their changing needs can help them live independently for longer, feel more connected to their communities and help reduce costs to the social care and health systems. Therefore, an understanding of how the ageing population in Redbourn affects housing needs is something to be considered from the early stages of plan-making through to decision-taking.³⁸
250. The need to access housing with support or care is often driven by health considerations, particularly disabilities. Disabilities can include, but are not limited to, people with ambulatory difficulties, blindness, learning difficulties, autism and mental health needs, which may generate a range of housing requirements which can change over time. Unsuitable housing or housing which is not capable of adaptation can have a negative impact on occupants and their carers. Disability is strongly linked to age and an ageing population will see the numbers of disabled people continuing to increase. It is important to plan early to meet their needs throughout their lifetime.

³⁰ Rightsizing: Reframing the housing offer for older people, 2018, Phase and Manchester School of Architecture

³¹ Pannell et al., 2012

³² Rightsizing: Reframing the housing offer for older people, 2018, Phase and Manchester School of Architecture

³³ <https://www.demos.co.uk/files/TopoftheLadder-web.pdf?1378922386>

³⁴ Ibid.

³⁵ https://www.housinglin.org.uk/_assets/Resources/Housing/OtherOrganisation/for-future-living_Oct2014.pdf

³⁶ <https://www.demos.co.uk/files/TopoftheLadder-web.pdf?1378922386>

³⁷ <http://researchbriefings.files.parliament.uk/documents/CBP-7423/CBP-7423.pdf>

³⁸ Available at <https://www.gov.uk/guidance/housing-for-older-and-disabled-people#identifying-the-housing-requirements-of-older-and-disabled-people>

251. Older people typically occupy a broad range of accommodation types and tenures depending on their individual needs, including both market housing and more specialist accommodation. The latest PPG³⁹ adopts the following planning approach:
- a. Where an identified need exists, plans are expected to make use of the optional technical housing standards (footnote 46 of the National Planning Policy Framework) to help bring forward an adequate supply of accessible housing. In doing so planning policies for housing can set out the proportion of new housing that will be delivered to the following standards:
 - i. M4(1) Category 1: Visitable dwellings (the minimum standard that applies where no planning condition is given unless a plan sets a higher minimum requirement)
 - ii. M4(2) Category 2: Accessible and adaptable dwellings
 - iii. M4(3) Category 3: Wheelchair user dwellings
 - b. Planning policies for accessible housing need to be based on evidence of need, viability and a consideration of site specific factors.
252. In the case of Redbourn, this HNA, together with any local housing survey conducted will form the evidence required to justify policies proposing the Category 2 or 3 standards above for both market and affordable housing and the two main types of specialist housing for older people - sheltered housing and extra care (see Appendix B for definitions).
253. In 2014, there were approximately 450,000 units of sheltered social rented and private sector retirement housing in England, with approximately one quarter of these in private sector and the rest provided at social rent levels.⁴⁰ This situation reflects historic patterns of development, significant constraints on the delivery of such housing in the market sector as well as changing aspirations and expectations amongst older people today in comparison with previous generations.
254. Local planning authorities can plan for older co-housing communities through their implementation of the Self-build and custom-build legislation 2015⁴¹, as some communities will be looking to build the development themselves. Local authorities can also identify sites suitable for older co-housing communities as part of their overall assessment of land available for housing over the plan period.⁴²
255. Given that the vast majority of people over 75 live in their own homes, but that the current stock is primarily for social rent, AECOM has developed a 'tenure-led' approach to calculating the need for specialist housing, which also takes into account the health and mobility of population of the Neighbourhood Plan area so as to develop projections for future need for specialist housing provided with some level of care or other services.

6.3 Approach

256. In accordance with NPPF guidance, this chapter applies a three stage process to determine the potential incidence of need for specialist housing for the elderly, based on tenures, projections of the future population of elderly people in the Neighbourhood Plan area, and Census data relating to mobility limitations and overall health.⁴³ These are then compared with rates of provision that have been recommended by the Housing Learning and Improvement Network (HLIN), as well as with existing rates of provision across St Albans.
257. Clearly, this calculation represents an assumption, with the actual decision for an older or disabled person to enter specialist housing highly dependent on individual circumstances. As already noted, the actual proportion of older people that can be considered in need of specialist housing is affected both by overall levels of health as well as by individual lifestyle choices, given that the vast majority of older people currently choose to continue to live in their homes for their entire lives.

³⁹ Housing for Older and disabled people, Guidance June 2019, MHCLG

⁴⁰ https://www.ageuk.org.uk/globalassets/age-uk/documents/reports-and-publications/reports-and-briefings/safe-at-home/rb_july14_housing_later_life_report.pdf

⁴¹ <https://www.gov.uk/guidance/self-build-and-custom-housebuilding>

⁴² See Paragraph: 011 Reference ID: 63-011-20190626 at <https://www.gov.uk/guidance/housing-for-older-and-disabled-people#identifying-the-housing-requirements-of-older-and-disabled-people>

⁴³ <https://www.gov.uk/guidance/housing-for-older-and-disabled-people#identifying-the-housing-requirements-of-older-and-disabled-people>

258. The charity Age UK suggests that “inaccessible housing should not force anyone out of their home or local community against their wishes. It’s much better to have ‘pull factors’ that attract older people towards housing alternatives.”⁴⁴ By understanding the tenure breakdown of specialist housing need, it is possible to better understand the extent to which demand will be a factor in this market segment.

6.3.1 Current supply of specialist housing for older people

259. When determining a final target for the need for specialist dwellings, it is necessary first to take account of current supply. Here, information on the current stock is collated manually using the search function on the Elderly Accommodation Counsel’s Website: <http://www.housingcare.org>.

260. It is important to note that bed spaces in communal establishments such as live-in care homes are not included in the calculation below.⁴⁵ This is because for the purposes of the UK planning system, such institutions occupy a different land-use class from other housing (use class C2, which comprises residential institutions, versus C3, which comprises private dwellings)⁴⁶. However, all other types of specialist housing for older people fall within use class C3 and, as such, are within the scope of this Housing Needs Assessment. Having said this, we will note the existing provision of such institutional accommodation where it exists in Redbourn.

261. The 2011 Census highlights the number of residents living in different types of communal establishments. Within Redbourn, it identified 60 residents living in communal establishments, representing 1.1% of the population.⁴⁷

262. Given that communal establishments (care homes) are generally outside the scope of housing needs assessments for the reasons described above, these are discounted from this analysis, and the remaining specialist housing for older people, which should be within use class C3 and thus within the scope of this assessment, is presented in Table 6-1 below. This gives a total of 42 specialist dwellings, for a 2011 population aged 75+ of 530. This suggests the actual rate of provision in Redbourn is approximately 79 dwellings per 1000 population aged 75+.

Table 6-1: Existing specialist housing for the elderly (excluding care homes) in Redbourn

	Name	Description	Bed spaces	Tenure	Type
1	New Forge Place	Retirement housing with resident management staff and alarm service	27 units, some 1 and some 2 bedroom	Leasehold purchase	Flats
2	Gertrude Peake Place	Retirement housing with visiting management staff and alarm service	15 1 bedroom units	Social rent	Flats

Source: <http://www.housingcare.org>

6.3.2 Tenure-led projections

263. Turning to determining future need for specialist housing, the first step is to review data on the tenure of households aged 55-75 across St Albans, as this is the smallest geography for which tenure by age bracket data is available. The age cohort-based approach is taken because it is these households which, over the next 20 years, will be reaching the age of 75+, where the need for specialist housing provision is more likely. The existing tenure split within this cohort is used to project forward the need for specialist housing according to different tenure.

264. The projection is based on the premise that those currently occupying their own home will also wish to do so for as long as practicably possible in future, even where downsizing or moving into specialist accommodation. Equally, those who currently rent, either in the private or social sectors, are projected to need affordable rented accommodation of some kind.

265. According to Table 6-2 below, the vast majority of 55-75 year-olds are home owners, a rate far in excess of that in the overall population. 17% of such households rent, with the vast majority of these in social rather than private rented housing.

⁴⁴ See <https://www.ageuk.org.uk/documents/EN-GB/Political/Age%20UK%20ID201813%20Housing%20Later%20Life%20Report%20-%20final.pdf?dtrk=true>

⁴⁵ Further details on the definition of different types of housing within the English planning system are available at <https://www.gov.uk/guidance/definitions-of-general-housing-terms>

⁴⁶ See Paragraph: 009 Reference ID: 13-009-20140306 at <https://www.gov.uk/guidance/when-is-permission-required>

⁴⁷ ONS, 2011 (KS405EW)

Table 6-2: Tenure of households aged 55-75 in St Albans, 2011

All owned	Owned outright	Owned with a mortgage or loan or Shared Ownership	All Rented	Social rented	Private rented	Living rent free
83.1%	59.0%	24.1%	16.9%	11.5%	4.5%	0.9%

Source: Census 2011

266. The next step is to project how the overall number of older people in Redbourn is likely to change in future, by extrapolating from the ONS Sub-National Population Projections for St Albans at the end of the Plan period. The figure must be extrapolated from the Local Authority level data because such projections are not available at neighbourhood level. The results are set out in Table 6-3 below.
267. This calculation indicates that those aged 75+ will constitute roughly 15% of the population of Redbourn in 2036 – a higher proportion than for St Albans and a roughly 50% increase on 2011 numbers.

Table 6-3: Modelled projection of elderly population in Redbourn by end of Plan period

Age group	2011		2036	
	Redbourn (Census)	St Albans (Census)	Redbourn (AECOM Calculation)	St Albans (ONS SNPP 2014)
All ages	5,344	140,664	5,619	147,915
75+	530	10,727	829	16,769
%	9.9%	7.6%	14.7%	11.3%

Source: ONS SNPP 2016, AECOM Calculations

268. The results of this exercise provide us with a projection of the number of people in Redbourn living in each tenure in the 55-75 cohort by 2011, as shown in the table below. This projection is calculated by multiplying the projected number of people aged 75 and over by the end of the Plan period by the tenure split for St Albans presented in Table 6-2 above, and is set out in Table 6-4 below.
269. A key assumption made here is that, for the purposes of determining the proportion of households aged 75+ falling into different tenures in 2036, and consequently the number of specialist units they might need, the growth in the overall population of those aged 75 is used. This implies that the current cohort of 75+ households are suitably accommodated at present, either in the existing specialist housing available or through adaptations to their own homes.

Table 6-4: Projected tenure of households aged 75+ in Redbourn to the end of the Plan period

Owned	Owned outright	Owned with a mortgage or loan or shared ownership	All rented	Social rented	Private rented	Living rent free
249	176	72	50	34	13	3

Source: Census 2011, ONS SNPP 2013, AECOM Calculations

270. The population figures in Table 7-4 above are then translated into households, as set out in Table 6-5 below. The translation factor used was 1.43 persons per household, which was the rate in St Albans for people aged over 75 in the Census 2011 (10,727 individuals aged 75+ and 7,516 households headed by someone of that age).

Table 6-5: Projected tenure by household aged 75+ in the NA by the end of the plan period

Owned	Owned outright	Owned with a mortgage or loan or shared ownership	All rented	Social rented	Private rented	Living rent free
174	123	50	35	24	9	2

Source: Census 2011, ONS SNPP 2013, AECOM Calculations

271. Next the incidence of mobility limitations is considered, as defined by the Census, within each tenure group for those aged 65+ in Redbourn. This allows us to link the levels of need (as defined by extent of mobility limitations within the population) to tenure (based on the premise that such needs can be used as a proxy for the need for specialist housing in this age group).
272. The tendency for people in rented housing to have higher dependency levels is well established. It arises partly because people with higher dependency levels tend to have lower incomes; they are therefore less able to afford to buy, even at earlier stages in their lives. It also reflects the fact that as people develop support and care needs they may find that the only suitable and affordable option to them is available in the social rented sector.

Table 6-6: Tenure and mobility limitations of those aged 65+ in Redbourn, 2011

Tenure	All categories: Long-term health problem or disability	Day-to-day activities limited a lot		Day-to-day activities limited a little		Day-to-day activities not limited	
All categories: Tenure	1,051	230	21.9%	277	26.4%	544	51.8%
<i>Owned or shared ownership: Total</i>	852	149	17.5%	218	25.6%	485	56.9%
Owned: Owned outright	774	140	18.1%	194	25.1%	440	56.8%
Owned: Owned with a mortgage or loan or shared ownership	78	9	11.5%	24	30.8%	45	57.7%
<i>Rented or living rent free: Total</i>	199	81	40.7%	59	29.6%	59	29.6%
Rented: Social rented	157	68	43.3%	50	31.8%	39	24.8%
Rented: Private rented or living rent free	42	13	31.0%	9	21.4%	20	47.6%

Source: DC3408EW Health status

273. Focusing on those whose activities are limited a lot, the calculations suggest that of the projected additional 35 renting households and 174 owning households in Redbourn in this age group, there could be a need for 30 specialist homes for owner occupiers ($17.5\% \times 174$) and 14 for renters of all kinds ($40.7\% \times 35$), or 34 new specialist homes in total.
274. These findings are set out in the table below, based on the assumption that those whose day-to-day activities are limited a lot may need housing with care (e.g. extra care housing, with significant on-site services, including potentially medical services), while those with their day to day activities limited only a little may simply need adaptations to their existing homes, or alternatively sheltered or retirement living that can provide some degree of oversight or additional services. However, it is important to note that, even those people who have high support or care needs can often be supported to live in their own homes. This is often reflected in policy of local authorities, with explicit aim to reduce the need to commission increasing numbers of care home beds.

Table 6-7: AECOM estimate of specialist housing need in Redbourn by the end of the Plan period

Type	Affordable	Market	Total (rounded)
Housing with care (e.g. extra care)	Multiply the number of people across all rented tenures (not just social rent as those aged 65+ who need to rent are overwhelmingly likely to need Affordable Housing) by the percent of occupiers in that tenure who have day to day activity limitations limited a lot	Multiply the number of people across all owner-occupied housing by the percent of occupiers in that tenure who have day to day activity limitations limited a lot	44
	14	30	
Adaptations, sheltered, or retirement living	Multiply the number of people across all rented housing by the percent of occupiers in that tenure who have day to day activity limitations limited a little	Multiply the number of people across all owned housing by the percent of occupiers in that tenure who have day to day activity limitations limited a little	54
	10	44	
Total	24	74	98

Source: Census 2011, AECOM Calculations

275. The number of households falling into potential need for specialist accommodation over the Plan period is therefore 98.

6.3.3 Housing LIN-recommended provision

276. It is worth comparing these findings with the recommendations of the Housing Learning and Improvement Network (HLIN), one of the respected models for planning for the housing needs of older people. In Table 6-8 below we reproduce the key table from their Strategic Housing for Older People (SHOP) toolkit. The table serves as a guide, based on best practice research, to the numbers of specialist dwellings for older people that should be provided given the increase in their numbers over the Plan period, and how these should be split into the different tenures.

Table 6-8: Recommended provision of specialist housing for older people from the SHOP toolkit

FORM OF PROVISION	ESTIMATE OF DEMAND PER THOUSAND OF THE RELEVANT 75+ POPULATION
Conventional sheltered housing to rent	60
Leasehold sheltered housing	120
Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) ³⁶	20
Extra care housing for rent	15
Extra care housing for sale	30
Housing based provision for dementia	6

Source: Housing LIN SHOP Toolkit

277. As Table 6-3 shows, Redbourn is forecast to see an increase of 299 individuals aged 75+ by the end of the Plan period. According to the HLIN tool, this translates into need as follows:

- Conventional sheltered housing to rent = 60 x .299 = 18
- Leasehold sheltered housing = 120 x .299 = 36
- Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) = 20 x .299 = 6

- Extra care housing for rent = 15 x .299 = 4
- Extra care housing for sale = 30 x .299 = 9
- Housing based provision for dementia = 6 x .299 = 2

278. This produces an overall total of 75 specialist dwellings which might be required by the end of the plan period.

279. Table 6-9 below sets out the HLIN recommendations in the same format as Table 6-7 above. It is important to stress that the SHOP toolkit embeds assumptions that uplift the provision of specialist accommodation compared to current rates. This means that the requirements expressed by the SHOP toolkit are higher than those implied by a straightforward projection based on the growth of the over 75 population.

Table 6-9: HLIN estimate of specialist housing need in Redbourn by the end of the Plan period

Type	Affordable	Market	Total
Housing with care (e.g. extra care)	Includes: enhanced sheltered housing for rent + extra care housing for rent + housing based provision for dementia	Includes: enhanced sheltered housing for sale + extra care housing for sale	21
	9	12	
Sheltered housing	Conventional sheltered housing for rent	Leasehold sheltered housing	54
	18	36	
Total	27	48	75

Source: Housing LIN, AECOM calculations

6.4 LHNA findings

280. The LHNA calculated that St Albans as a whole has a current shortfall of 1,007 units of specialist housing for older people, and that additional demand to 2036 will be in the range of 865 additional units, producing total need to 2036 of 1,872 units. This calculation can be used to cross-check the estimates above. As noted in the Type and Size chapter, Redbourn has 3.7% of the St Albans population. If Redbourn's need for specialist accommodation is in proportion with its population, this implies a need of 69 units to 2036 (1,872 x 3.7%). This is not significantly below the lower range of the estimate here. Given that Redbourn's population is generally older than wider St Albans, it is logical that the NA has a proportionally higher level of need for specialist older people's housing.

281. The balance between affordable and market specialist housing that can be inferred from the LHNA figures is 62% affordable – nearly the opposite of the recommendation for Redbourn here. The difference can be explained by the higher rates of home ownership in Redbourn than St Albans (see Type and Size chapter), which is exaggerated for older age groups. Nevertheless, the LHNA evidence points to a high degree of need for affordable specialist housing, and this should be taken into account when planning for any relevant developments in Redbourn in future.

6.5 Conclusions- Specialist Housing for the Older People

282. The potential need for specialist housing with some form of additional care for older people can be estimated by bringing together data on population projections, rates of disability, and what tenure of housing the current 55-75 cohort occupy in the NA. This can be supplemented through the use of a toolkit based on national research and assumptions.

283. Two methods of estimating need for specialist accommodation for older people (such as housing with additional care services) produce a range of 75 to 98 specialist accommodation units that would be required to meet the needs of Redbourn's ageing population during the Plan period. Specialist accommodation units assume independent households, which might be composed of a single person or couple.

284. It is important to note that the scale of need for specialist accommodation heavily depends on the amount of accessible/adapted mainstream housing in Redbourn currently – or how far this can successfully be achieved in future. Note that there is no accurate secondary data on this. If the neighbourhood plan were to be particularly ambitious in

requiring high standards of accessibility and adaptability, there is arguably less need to deliver specialist accommodation.

285. This evidence should be seen as the context for potential policy action. It is not realistic to expect this level of need can be delivered in full given the green belt constraints around Redbourn and the scale of this potential need in comparison with Affordable Housing as identified elsewhere in this report. It is also not necessarily desirable to deliver it in full given the range of amenities for older people available. But it provides a quantity to aim for if an older people's development aligns with the aspirations of the community, or as evidence to support alternative actions such as an ambitious policy on accessibility and adaptability.
286. If the community wish to maximise delivery of this housing type, a good first step might be to identify a suitable site (i.e. on level ground, close to public transport and other amenities) and promote it to developers of older people's housing. It may also be possible to work with the Local Authority to highlight this need and discuss options for rural exception sites aimed at older people if this can be achieved within the green belt constraints locally.
287. The balance between affordable and market tenures in the two estimates is 24% affordable and 36% affordable. The mid-range between these two percentages is 30%. This is a reasonable proportion of future specialist housing that should be affordable in Redbourn, given that it closely aligns with the overall Affordable Housing requirement for St Albans of 35%. This target should be monitored for viability if it is implemented. It is also worth noting that the LHNA evidence for St Albans as a whole points to a high degree of need for affordable specialist housing (62% affordable and 38% market), a finding that should also be taken into account when planning for any relevant developments in Redbourn in future.
288. While it is important to maximise the accessibility of all new housing, it is particularly important for specialist housing for older people to be provided in sustainable, accessible locations, for a number of reasons, as follows:
- so that residents, who often lack cars of their own, are able to access local services and facilities, such as shops and doctor's surgeries, on foot;
 - so that any staff working there have the choice to access their workplace by more sustainable transport modes; and
 - so that family members and other visitors have the choice to access relatives and friends living in specialist accommodation by more sustainable transport modes.
289. Alongside the need for specialist housing to be provided in accessible locations, another important requirement is for cost effectiveness and economies of scale. This can be achieved by serving the specialist elderly housing needs arising from a number of different locations and/or neighbourhood plan areas from a single, centralised point (i.e. what is sometimes referred to as a 'hub-and-spoke' model).
290. The 'hub-and-spoke' model is the idea that larger towns with more services and amenities, and fewer constraints on development, can provide more than their fair share of older people's housing so that more constrained villages with fewer services can accommodate less.
291. In AECOM's view, Redbourn is, in broad terms, a suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness above. As such, there is potential for such accommodation to be provided within the Neighbourhood Plan area.
292. However, Redbourn's relative size and location mean it is more likely to act as a spoke, with Harpenden or St Albans acting as hubs. However, questions remain as to the capacity/willingness to provide extra in those other locations, and how far older people in Redbourn are sufficiently well served by public transport and other amenities, where their relatives and support networks live, and so forth.
293. Wherever specialist housing is to be accommodated, partnership working with specialist developers is recommended, so as to introduce a greater degree of choice into the housing options for older people who wish to move in later life.

7. Conclusions

7.1 Overview

294. Table 7-1 below sets out in full the conclusions and recommendations of this Neighbourhood Plan housing needs assessment, based on the evidence reviewed and analysed.

Table 7-1: Summary of study findings specific to Redbourn with a potential impact on Neighbourhood Plan housing policies

Issue	Summary of evidence and data assessed	Conclusions and recommendations
Housing tenure and affordability	<p>Redbourn has higher rates of home ownership and social renting, along with a significantly lower rate of private renting, than St Albans. Between 2001 and 2011 the number of households renting from a private landlord increased dramatically from 65 to 187 households.</p> <p>There has been a smooth, steady increase in house prices over the decade with the exception of mild dips in 2012 and 2018. The overall average price for 2019 is 51% higher than the overall average for 2010.</p> <p>The average total household income is £54,000 (for a slightly wider area than the NA) and the lower quartile gross earnings for single-earners is £16,933 (for St Albans as a whole).</p> <p>When calculations presented in the LHNA are pro-rated to Redbourn based on its share of the population (3.7% of St Albans's population as of mid-2019), Redbourn can has a need for 14 affordable rented homes and 16 affordable home ownership dwellings each year to 2036.</p> <p>This report therefore provides alternative calculations that are specific to Redbourn as far as possible. These suggest Redbourn will have a surplus of 7 affordable rented units per year going forward because the estimated quantity of newly arising need each year is likely to be satisfied by turnover in the existing stock.</p> <p>We estimate that around 10 households per year may be interested in affordable home ownership. This is not dramatically lower than the LHNA estimate. Their needs are less acute than those on the waiting list for affordable rented housing.</p>	<p>Home ownership is becoming increasingly out of reach for many households in Redbourn.</p> <p>The income required to buy an average market home for sale is more than double what would be available to those on average household incomes. Market rents are just affordable to average earning households, but lower quartile earners appear unable to afford any tenures other than social rent.</p> <p>Affordable home ownership options would assist only very high earners since no other households have a realistic chance to afford them. The discount on the average market sale price required to enable households on average incomes to afford to buy is 57%. For a dual lower quartile earning household, a discount of 73% would be required. The highest possible discounts should be sought and smaller house types may be the only option for below average earners.</p> <p>It is recommended that Redbourn seeks to deliver as much Affordable Housing as possible, with the understanding that if this results in oversupply in future years, the vacancies created when existing occupants leave their properties may need to satisfy new need from elsewhere in the district if Redbourn's households are already accommodated.</p> <p>There may be potential for the Neighbourhood Plan to influence the mix of Affordable Housing tenures that come forward within the overall total. The HNA recommends prioritising affordable rented housing for those with the most acute needs to the greatest extent possible, while still allowing for some measure of affordable home ownership (and adhering to government requirements on this subject). A headline Affordable Housing tenure mix of 70% rented and 30% ownership is proposed.</p>

Issue	Summary of evidence and data assessed	Conclusions and recommendations
Housing type and size	<p>Compared with St Albans, Redbourn has a much higher proportion of detached and slightly more semi-detached and terraced homes, with a lower proportion of flats. Redbourn's rate of bungalow provision, at 9% of all properties, is higher than that of St Albans, at 6%.</p> <p>The housing stock by size in Redbourn is dominated by mid-sized homes with 4-6 rooms, and closely resembles the pattern of wider St Albans. A majority of dwellings have 3 bedrooms, and Redbourn and St Albans share a similar overall mix except for a larger proportion of 4 bedroom homes in Redbourn.</p> <p>2011 Census data reveals that Redbourn had a particularly large segment of the population aged 45-84, with correspondingly lower proportions of the population falling into younger age bands – particularly in the 16-44 categories, when compared with St Albans and England. The 2011 age profile in Redbourn has been compared with 2019 estimates, but there is relatively little difference other than a 4 percentage point decline in the 25-44 age group and slightly higher proportions in other age groups. While the 85+ age group has only expanded by 1.1 percentage points, this represents a nearly 40% increase on raw numbers.</p> <p>Applying St Albans household projections to the Redbourn population suggests that all age groups below 55 are expected to decline by 2036, while older age groups increase substantially.</p>	<p>Redbourn's large 65+ cohort is likely to reach retirement age over the Plan period and could become the largest source of demand for housing, whether they intend to occupy the same dwellings they currently live in, or perhaps move within the community to a home better suited to the size of their household or their evolving needs.</p> <p>The results of a life-stage modelling exercise, which looks at the sizes of dwelling occupied by different age groups and projects the growth and decline of those age groups over the Plan period in order to understand what should be built, suggests that new development might benefit from a focus on medium and small sized dwellings (i.e. those with 2 and 3 bedrooms). These might be suitably delivered as terraced homes and/or flats if these can be delivered in keeping with local design and character.</p> <p>This will help to accommodate any unmet demand for smaller properties to which older households may wish to downsize, in the process vacating larger houses that might be occupied by families. An emphasis on smaller homes should also help to accommodate Redbourn's cohort of younger people who are currently not well served by housing options in the area.</p> <p>This recommended size mix is the result of a modelling exercise that depends on existing data, assumptions, and to a degree embeds existing trends. It should be used with a degree of caution, and could go hand-in-hand with more qualitative evidence about the needs of local people and the community's wider objectives. If these include a desire to attract and retain younger people, this baseline size mix could be further adjusted to favour smaller and more affordable homes. This should also be considered in light of wider trends, such as the increase in working from home as a result of the Covid-19 pandemic. (More information on this topic is provided in the relevant section of the executive summary).</p> <p>While Affordable Housing should be well balanced in terms of size to cater for all circumstances, the provision of smaller homes for sale and rent, as advised here, should make an important contribution to improving affordability more widely. If older households wishing to downsize and younger ones seeking to form their own independent households are to be able to afford to live in Redbourn, increasing the provision of small and mid-size homes and, in so doing, rebalancing the housing stock away from generally larger housing, could be valuable.</p>

Issue	Summary of evidence and data assessed	Conclusions and recommendations
Specialist housing for older people	<p>Two methods of estimating need for specialist accommodation for older people (such as housing with additional care services) produce a range of 75 to 98 specialist accommodation units that would be required to meet the needs of Redbourn's ageing population during the Plan period.</p> <p>The balance between affordable and market tenures in the two estimates is 24% affordable and 36% affordable. The mid-range between these two percentages is 30%. This is a reasonable proportion of future specialist housing that should be affordable in Redbourn, given that it closely aligns with the overall Affordable Housing requirement for St Albans of 35%.</p>	<p>It is important to note that the scale of need for specialist accommodation heavily depends on the amount of accessible/adapted mainstream housing in Redbourn currently – or how far this can successfully be achieved in future. Note that there is no accurate secondary data on this. If the neighbourhood plan were to be particularly ambitious in requiring high standards of accessibility and adaptability, there is arguably less need to deliver specialist accommodation.</p> <p>This evidence should be seen as the context for potential policy action. It is not realistic to expect this level of need can be delivered in full, or that this would necessarily be desirable given the range of amenities for older people available. But it provides a quantity to aim for if an older people's development aligns with the aspirations of the community, or as evidence to support alternative actions such as an ambitious policy on accessibility and adaptability.</p> <p>While it is important to maximise the accessibility of all new housing, it is particularly important for specialist housing for older people to be provided in sustainable, accessible locations.</p> <p>In AECOM's view, Redbourn is, in broad terms, a suitable location for specialist accommodation on the basis of accessibility criteria and the considerations of cost-effectiveness. As such, there is potential for such accommodation to be provided within the Neighbourhood Plan area.</p> <p>However, Redbourn's relative size and location mean it is more likely to act as a spoke, with Harpenden or St Albans acting as hubs. However, questions remain as to the capacity/willingness to provide extra in those other locations, and how far older people in Redbourn are sufficiently well served by public transport and other amenities, where their relatives and support networks live, and so forth.</p>

7.2 Recommendations for next steps

295. This Neighbourhood Plan housing needs assessment aims to provide Redbourn with evidence on a range of housing trends and issues from a range of relevant sources. We recommend that the Parish Council should, as a next step, discuss the contents and conclusions with SACDC with a view to agreeing and formulating draft housing policies, bearing the following in mind:

- All Neighbourhood Planning Basic Conditions, but in particular the following: Condition A, namely that the Neighbourhood Plan has regard to national policies and advice contained in guidance issued by the Secretary of State; Condition D, that the making of the Neighbourhood Plan contributes to the achievement of sustainable development; and Condition E, which is the need for the Neighbourhood Plan to be in general conformity with the strategic policies of the adopted development plan;
- The views of SACDC – in particular in relation to the quantity of housing that should be planned for;
- The views of local residents;
- The views of other relevant local stakeholders, including housing developers and estate agents;
- The numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by SACDC, including but not limited to the Strategic Housing Land Availability Assessment (SHLAA);

- The recommendations and findings of this study; and
- The impact of the Government's Standard Methodology on calculating housing need for St Albans and the Neighbourhood Areas within it.

296. This assessment has been provided in good faith by AECOM consultants on the basis of housing data, national guidance and other relevant and available information current at the time of writing.

297. Bearing this in mind, it is recommended that the Parish Council should monitor carefully strategies and documents with an impact on housing policy produced by the Government, St Albans or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.

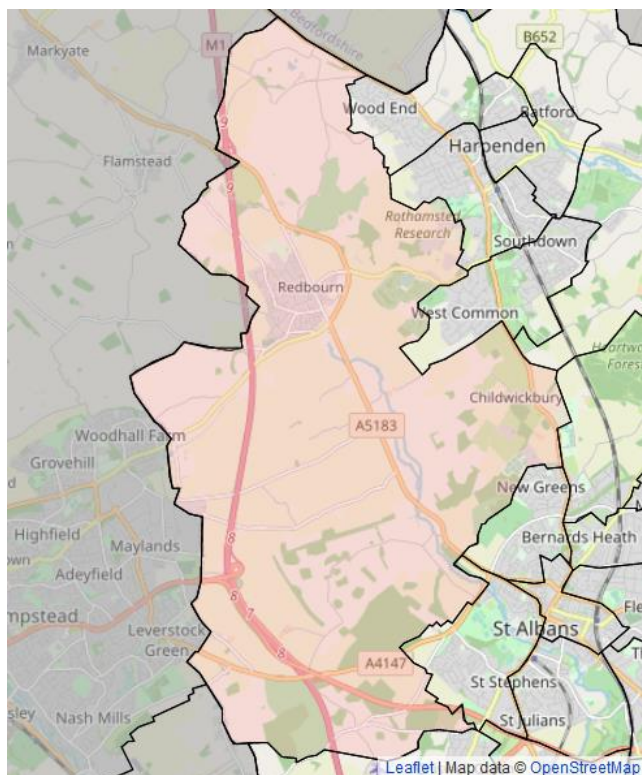
298. At the same time, monitoring on-going demographic or other trends over the Neighbourhood Plan period will help ensure the continued relevance and credibility of its policies.

Appendix A : Calculation of Affordability Thresholds

A.1 Assessment geography

299. As noted in the Tenure and Affordability chapter above, affordability thresholds can only be calculated on the basis of data on incomes across the Neighbourhood Area. Such data is available at MSOA level but not at the level of Neighbourhood Areas.
300. As such, when calculating affordability thresholds, an MSOA needs to be selected that is a best-fit proxy for the Neighbourhood Area. In the case of Redbourn, it is considered that MSOA E02004929 is the closest realistic proxy for the Neighbourhood Area boundary, and as such, this is the assessment geography that has been selected. This area is unfortunately much wider than the NA itself, but as it is the smallest unit of analysis available and the NA is contained entirely within it, the MSOA is the best available proxy. A map of this area appears below in Figure A-1.

Figure A-1: MSOA E02004929, used as a best-fit geographical proxy for the Neighbourhood Area



Source: ONS

A.2 Market housing

301. Market dwellings are accessible to people on higher incomes. Choices in the housing market are driven principally by spending power, life stage, and personal taste.
302. The operation of the housing market is, in most circumstances, the best means of addressing the demand for different types of housing for sale. For this reason, it is important that planning policy does not place unnecessary burdens on the market preventing its ability to respond to demand, because this is the principal way equilibrium is achieved in the market and thus house price growth kept in check.
303. In this sense, the notion of development viability is essential. It is important not to deter development in the context of clear housing need; to do so will not only frustrate the delivery of new housing but also may deprive the community of resources for infrastructure improvements.
304. To determine affordability in market housing, the assessment considers two primary indicators: income thresholds, which denote the maximum share of a family's income that should be spent on accommodation costs, and purchase thresholds, which denote the standard household income required to access mortgage products.

i) Market sales

305. The starting point for calculating the affordability of a dwelling for sale (i.e. the purchase threshold) from the perspective of a specific household is the loan to income ratio which most mortgage companies are prepared to agree. This ratio is conservatively estimated to be 3.5.
306. To produce a more accurate assessment of affordability, both the savings available for a deposit and the equity in the home from which the buyer is moving (if not a first-time buyer) should be taken into account. However, this data is not available for Redbourn. As such, a reasonable assumption is therefore made that a 10% purchase deposit is available to the prospective buyer.
307. The value of an entry-level dwelling is considered the best representation of the segment of market housing most likely to be accessible to those on lower incomes.⁴⁸ The value of an entry level dwelling used here is the lower quartile average house price from sales data from Land Registry over the year 2019.
308. The calculation is therefore:
- Value of an 'entry level dwelling' = £375,000;
 - Purchase deposit = £37,500 @10% of value;
 - Value of dwelling for mortgage purposes = £337,500;
 - Loan to income ratio = value of dwelling for mortgage purposes divided by 3.5;
 - **Purchase threshold = £99,429.**

ii) Private Rented Sector (PRS)

309. Income thresholds are used to calculate the affordability of rented and affordable housing tenures. Households are deemed able to afford a private rented property if the lower quartile private rent does not exceed 30% of gross household income.
310. It is assumed that lower quartile private rent equates to the average rent paid in the Neighbourhood Area for a two-bedroom dwelling (enough living space for two or three individuals). In order to be in conformity with the Government guidance on overcrowding,⁴⁹ such a home would require three habitable rooms (a flat or house with two bedrooms).
311. The property website Rightmove shows rental values for property in the Neighbourhood Area. The best available data is derived from properties available for rent within a ½ mile radius from Redbourn. This radius was selected because there were too few results within Redbourn alone or within a ¼ mile radius. Extending the area to a 1 mile radius incorporated a large number of properties within parts of Harpenden and suburban St Albans, so this area was rejected.
312. There were 12 rental properties within a ½ mile radius of Redbourn at the time of search in December 2020. 6 had 2 bedrooms and 6 had either more or fewer bedrooms.
313. The overall average for all sizes was £1,231. The average 2 bedroom (entry-level) rental price was £964. Note that one 2 bedroom property was excluded from this average – a detached cottage on a large plot listed for £1,650 per month, which cannot be considered an entry-level dwelling.
314. It is possible to derive from this data the estimated income threshold for entry-level private rental sector dwellings in the Neighbourhood Area; the calculation is:
- Annual rent = £964 x 12 = £11,568;
 - Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = **income threshold of 38,560.**
315. The equivalent income threshold for the overall average market rent is £49,233.

⁴⁸ 'Entry-level dwelling' can be understood to comprise a property that costs the average value of dwellings falling into the lower quartile of house prices in the Neighbourhood Plan area, as set out in the Tenure and Affordability chapter above.

⁴⁹ This is based on the concept of the 'room standard', which indicates a dwelling is legally overcrowded if two people of the opposite sex have to share a room to sleep in (this does not apply when couples share a room). See: http://england.shelter.org.uk/housing_advice/repairs/overcrowding

316. The NPPF 2019 acknowledges that build-to-rent dwellings have a role to play in providing affordable market homes and may meet affordable housing need where they include a component of affordable private rent.

A.3 Affordable Housing

317. There are a range of tenures that constitute the definition of Affordable Housing within the 2019 NPPF: social rent and affordable rent, discounted market sales housing, and other affordable routes to home ownership.
318. This variety of tenures reflects an ambition by the Government to provide a pathway to home ownership for more households, as well as introducing market principles into the provision of subsidised housing for rent. The aim is to divide affordable housing into a series of products designed to appeal to different sectors of the market and, by changing eligibility criteria, bring rents closer in line with people's ability to pay. We consider each of the affordable housing tenures in turn.

i) Social rent

319. Rents in socially rented properties reflect a 'formula rent' based on a combination of individual property values and average earnings in each area, resulting in substantial discounts to market rents. As such, this tenure is suitable for the needs of those on low incomes and is subject to strict eligibility criteria.
320. To determine social rent levels, data and statistical return from Homes England is used. This data is only available at the LPA level so St Albans must act as a proxy for Redbourn. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for St Albans in the table below.
321. To determine the income needed, it is assumed that no more than 30% of income should be spent on rent. This HNA uses two bedroom homes in the main report tables to illustrate affordability of this tenure. These homes are a good proxy for affordability in this tenure as they are typically the most numerous property size.

Table A-1: Social rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent per week	£101.35	£122.22	£139.02	£155.01	£121.02
Annual average	£5,270	£6,355	£7,229	£8,061	£6,293
Income needed	£21,081	£25,422	£28,916	£32,242	£25,172

Source: Homes England, AECOM Calculations

ii) Affordable rent

322. Affordable rent is controlled at no more than 80% of the local market rent. However, registered providers who own and manage affordable rented housing may also apply a cap to the rent to ensure that it is affordable to those on housing benefit (where under Universal Credit the total received in all benefits to working age households is £20,000). Even an 80% discount on the market rent may not be sufficient to ensure that households can afford it, particularly when they are dependent on benefits. Registered Providers in some areas have applied caps to larger properties where the higher rents would make them unaffordable to families under Universal Credit. This may mean that the rents are actually 50-60% of market levels rather than 80%.
323. Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for St Albans (above). Again it is assumed that no more than 30% of income should be spent on rent.

Table A-2: Affordable rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average affordable rent per week	£156.04	£190.44	£193.22	£230.33	£180.58
Annual average	£8,114	£9,903	£10,047	£11,977	£9,390
Income needed	£32,456	£39,612	£40,190	£47,909	£37,561

Source: Homes England, AECOM Calculations

iii) Intermediate tenures

324. Intermediate housing includes homes for sale and rent provided at a cost above social rent, but below market levels, subject to the criteria in the affordable housing definition above. They can include shared equity (shared ownership and equity loans), other low-cost homes for sale and intermediate rent, but not affordable rented housing.

Discounted Market Homes

325. In paragraph 64 of the NPPF 2019, the Government introduces a recommendation that “where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership”. The most recent proposals for ‘Changes to the current planning system’ suggest that 25% of all Affordable Housing should be First Homes – the Government’s new flagship discounted market sale product. When the NPPF is next updated, it is expected that the 10% requirement referenced above may be replaced by the First Homes requirement.
326. Whether to treat discounted market sale homes as affordable housing or not depends on whether discounting the asking price of new build homes of a size and type suitable to first time buyers would bring them within reach of people currently unable to access market housing for purchase.
327. Data are limited on the price of new build housing in the NA 12 flats in the Hills Yard Mews development were sold in 2016/17 at an average price of £370,250. Other than this only single-unit or very small new build developments appear to have been sold, and all towards the start of the decade. The £370,250 figure is not representative of all house types, drawing solely on sales data for flats, and represents a 2016/17 average which is now a few years old, but it does align relatively closely with the 2019 average entry-level price of £375,000.
328. It would, however, be optimistic to assume that new properties will be sold at around this level in future years, and for that average to include houses for young families. We therefore benchmark the cost of discounted market housing and shared ownership against the 2019 median house price in Redbourn of £492,500. While new build homes are likely to be more expensive than existing homes, the entry-level homes delivered through these schemes are likely to be less expensive than the median existing home. The existing median therefore presents a broad middle ground, and is used in the subsequent calculations.
329. Note that new build prices across the district as a whole were also considered. But the average price of £624,315 is an unrealistic benchmark for an entry-level home in Redbourn, given that it includes the sale of large executive houses in particularly high value areas such as St Albans itself.
330. Applying a discount of 30% to the 2019 Redbourn median price - as in the Government’s proposed First Homes product – provides an approximate selling price of £344,750. Allowing for a 10% deposit further reduces the value of the property to £310,275 (implying that a deposit of £34,475 will be needed). The income threshold at a loan to income ratio of 3.5 is £88,650.
331. If discounted market housing were benchmarked against the average new build sale across the district as a whole (£624,315), the required income threshold for a 30% discounted property would be £112,377.
332. The income thresholds analysis in the Tenure and Affordability chapter also compares local incomes with the costs of a 20%, 40% and 50% discounted home (with the discount benchmarked on the median house price as above). This would require an income threshold of £101,314, £75,986 and £63,321 respectively.

Shared ownership

333. Shared ownership involves the purchaser buying an initial share in a property typically of between 25% and 75% and paying rent on the share retained by the provider. Shared ownership is flexible in two respects, in the share which can be purchased and in the rental payable on the share retained by the provider. Both of these are variable. The share owned by the leaseholder can be varied by ‘staircasing’. Generally, staircasing will be upward, thereby increasing the share owned over time.
334. In exceptional circumstances (for example, as a result of financial difficulties, and where the alternative is repossession), and at the discretion of the provider, shared owners may staircase down, thereby reducing the share they own. Shared equity is available to first-time buyers, people who have owned a home previously and council and housing association tenants with a good credit rating whose annual household income does not exceed £80,000.

335. To determine the affordability of shared ownership, calculations are based on the median house price of £492,500.⁵⁰ The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to income ratio of 3.5 is used to calculate the income required to obtain a mortgage. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 30% of the income on rent (as for the income threshold for the private rental sector).
336. A 25% equity share of £492,500 is £123,125, from which a 10% deposit of £12,313 is deducted. The mortgage value of £110,813 is then divided by 3.5. To secure a mortgage of £110,813, an annual income of £31,661 is therefore needed. In addition to mortgage costs, rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £369,375. An ongoing annual rent equivalent to 2.5% of the value of the unsold equity is assumed, which is £9,234 and requires an income of £30,781 (multiplied by 3.33 so that no more than 30% of income is spent on rent). Therefore, an income of around **£62,442** (£31,661 + £30,781) is required to afford a 25% shared equity purchase of an entry-level home. The same calculations were undertaken for equity shares of 50% and 75%, producing income thresholds of **£83,842** and **£105,243** respectively.

⁵⁰ It is important to note that current shared ownership models are only available for new build homes, which are assumed to cost more than this average taken from all open market housing, which also includes property re-sale.

Appendix B : Housing Needs Assessment Glossary

Adoption

This refers to the final confirmation of a local plan by a local planning authority.

Affordability

The terms 'affordability' and 'affordable housing' have different meanings. 'Affordability' is a measure of whether housing may be afforded by certain groups of households. 'Affordable housing' refers to particular products outside the main housing market.

Affordability Ratio

Assessing affordability involves comparing housing costs against the ability to pay. The ratio between lower quartile house prices and the lower quartile income or earnings can be used to assess the relative affordability of housing. The Ministry for Housing, Community and Local Governments publishes quarterly the ratio of lower quartile house price to lower quartile earnings by local authority (LQAR) as well as median house price to median earnings by local authority (MAR) e.g. income = £25,000, house price = £200,000. House price: income ratio = £200,000/£25,000 = 8, (the house price is 8 times income).

Affordable Housing (NPPF Definition)

Housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions:

a) Affordable housing for rent: meets all of the following conditions: (a) the rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).

b) Discounted market sales housing: is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.

c) Other affordable routes to home ownership: is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low-cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.

Affordable rented housing

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods⁵¹.

Age-Restricted General Market Housing

A type of housing which is generally for people aged 55 and over and the active elderly. It may include some shared amenities such as communal gardens but does not include support or care services.

⁵¹ The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

Annual Monitoring Report

A report submitted to the Government by local planning authorities assessing progress with and the effectiveness of a Local Development Framework.

Basic Conditions

The Basic Conditions are the legal tests that are considered at the examination stage of neighbourhood development plans. They need to be met before a plan can progress to referendum.

Backlog need

The backlog need constitutes those households who are eligible for Affordable Housing, on account of homelessness, overcrowding, concealment or affordability, but who are yet to be offered a home suited to their needs.

Bedroom Standard⁵²

The bedroom standard is a measure of occupancy (whether a property is overcrowded or under-occupied, based on the number of bedrooms in a property and the type of household in residence). The Census overcrowding data is based on occupancy rating (overcrowding by number of rooms not including bathrooms and hallways). This tends to produce higher levels of overcrowding/ under occupation. A detailed definition of the standard is given in the Glossary of the EHS Household Report.

Co-living

Co-living denotes people who do not have family ties sharing either a self-contained dwelling (i.e., a 'house share') or new development akin to student housing in which people have a bedroom and bathroom to themselves, but share living and kitchen space with others. In co-living schemes each individual represents a separate 'household'.

Community Led Housing/Community Land Trusts

Housing development, provision and management that is led by the community is very often driven by a need to secure affordable housing for local people in the belief that housing that comes through the planning system may be neither the right tenure or price-point to be attractive or affordable to local people. The principle forms of community-led models include cooperatives, co-housing communities, self-help housing, community self-build housing, collective custom-build housing, and community land trusts. By bringing forward development which is owned by the community, the community is able to set rents and/or mortgage payments at a rate that it feels is appropriate. The Government has a range of support programmes for people interested in bringing forward community led housing.

Community Right to Build Order⁵³

A community right to build order is a special kind of neighbourhood development order, granting planning permission for small community development schemes, such as housing or new community facilities. Local community organisations that meet certain requirements or parish/town councils are able to prepare community right to build orders.

Concealed Families (Census definition)⁵⁴

The 2011 Census defined a concealed family as one with young adults living with a partner and/or child/children in the same household as their parents, older couples living with an adult child and their family or unrelated families sharing a household. A single person cannot be a concealed family; therefore one elderly parent living with their adult child and family or an adult child returning to the parental home is not a concealed family; the latter are reported in an ONS analysis on increasing numbers of young adults living with parents.

Equity Loans/Shared Equity

An equity loan which acts as a second charge on a property. For example, a household buys a £200,000 property with a 10% equity loan (£20,000). They pay a small amount for the loan and when the property is sold e.g. for £250,000 the lender

⁵² See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

⁵³ See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

⁵⁴ See http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf

receives 10% of the sale cost (£25,000). Some equity loans were available for the purchase of existing stock. The current scheme is to assist people to buy new build.

Extra Care Housing or Housing-With-Care

Housing which usually consists of purpose-built or adapted flats or bungalows with a medium to high level of care available if required, through an onsite care agency registered through the Care Quality Commission (CQC). Residents are able to live independently with 24 hour access to support services and staff, and meals are also available. There are often extensive communal areas, such as space to socialise or a wellbeing centre. In some cases, these developments are included in retirement communities or villages - the intention is for residents to benefit from varying levels of care as time progresses.

Fair Share

'Fair share' is an approach to determining housing need within a given geographical area based on a proportional split according to the size of the area, the number of homes in it, or its population.

First Homes

The Government is consulting on the introduction of First Homes as a new form of discounted market homes which will provided a discount of at least 30% on the price of new homes. The intention is that these homes are available to first time buyers as a priority but other households will be eligible depending on agreed criteria. New developments are likely to be required to provide 25% of Affordable Housing as First Homes.

Habitable Rooms

The number of habitable rooms in a home is the total number of rooms, excluding bathrooms, toilets and halls.

Household Reference Person (HRP)

The concept of a Household Reference Person (HRP) was introduced in the 2001 Census (in common with other government surveys in 2001/2) to replace the traditional concept of the head of the household. HRPs provide an individual person within a household to act as a reference point for producing further derived statistics and for characterising a whole household according to characteristics of the chosen reference person.

Housing Market Area

A housing market area is a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work. It might be the case that housing market areas overlap.

The extent of the housing market areas identified will vary, and many will in practice cut across various local planning authority administrative boundaries. Local planning authorities should work with all the other constituent authorities under the duty to cooperate.

Housing Needs

There is no official definition of housing need in either the National Planning Policy Framework or the National Planning Practice Guidance. Clearly, individuals have their own housing needs. The process of understanding housing needs at a population scale is undertaken via the preparation of a Strategic Housing Market Assessment (see below).

Housing Needs Assessment

A Housing Needs Assessment (HNA) is an assessment of housing needs at the Neighbourhood Area level.

Housing Products

Housing products simply refers to different types of housing as they are produced by developers of various kinds (including councils and housing associations). Housing products usually refers to specific tenures and types of new build housing.

Housing Size (Census Definition)

Housing size can be referred to either in terms of the number of bedrooms in a home (a bedroom is defined as any room that was intended to be used as a bedroom when the property was built, any rooms permanently converted for use as bedrooms);

or in terms of the number of rooms, excluding bathrooms, toilets halls or landings, or rooms that can only be used for storage. All other rooms, for example, kitchens, living rooms, bedrooms, utility rooms, studies and conservatories are counted. If two rooms have been converted into one they are counted as one room. Rooms shared between more than one household, for example a shared kitchen, are not counted.

Housing Type (Census Definition)

This refers to the type of accommodation used or available for use by an individual household (i.e. detached, semi-detached, terraced including end of terraced, and flats). Flats are broken down into those in a purpose-built block of flats, in parts of a converted or shared house, or in a commercial building.

Housing Tenure (Census Definition)

Tenure provides information about whether a household rents or owns the accommodation that it occupies and, if rented, combines this with information about the type of landlord who owns or manages the accommodation.

Income Threshold

Income thresholds are derived as a result of the annualisation of the monthly rental cost and then asserting this cost should not exceed 35% of annual household income.

Intercensal Period

This means the period between the last two Censuses, i.e. between years 2001 and 2011.

Intermediate Housing

Intermediate housing is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low-cost homes for sale and intermediate rent, but not affordable rented housing. Homes that do not meet the above definition of affordable housing, such as 'low-cost market' housing, may not be considered as affordable housing for planning purposes.

Life Stage modelling

Life Stage modelling is forecasting need for dwellings of different sizes by the end of the Plan period on the basis of changes in the distribution of household types and key age brackets (life stages) within the NA. Given the shared behavioural patterns associated with these metrics, they provide a helpful way of understanding and predicting future community need. This data is not available at neighbourhood level so LPA level data is employed on the basis of the NA falling within its defined Housing Market Area.

Life-time Homes

Dwellings constructed to make them more flexible, convenient adaptable and accessible than most 'normal' houses, usually according to the Lifetime Homes Standard, 16 design criteria that can be applied to new homes at minimal cost: <http://www.lifetimehomes.org.uk/>.

Life-time Neighbourhoods

Lifetime neighbourhoods extend the principles of Lifetime Homes into the wider neighbourhood to ensure the public realm is designed in such a way to be as inclusive as possible and designed to address the needs of older people, for example providing more greenery and more walkable, better connected places.

Local Development Order

An Order made by a local planning authority (under the Town and Country Planning Act 1990) that grants planning permission for a specific development proposal or classes of development.

Local Enterprise Partnership

A body, designated by the Secretary of State for Communities and Local Government, established for the purpose of creating or improving the conditions for economic growth in an area.

Local housing need (NPPF definition)

The number of homes identified as being needed through the application of the standard method set out in national planning guidance (or, in the context of preparing strategic policies only, this may be calculated using a justified alternative approach as provided for in paragraph 60 of this Framework).

Local Planning Authority

The public authority whose duty it is to carry out specific planning functions for a particular area. All references to local planning authority apply to the District Council, London Borough Council, County Council, Broads Authority, National Park Authority or the Greater London Authority, to the extent appropriate to their responsibilities.

Local Plan

This is the plan for the future development of the local area, drawn up by the local planning authority in consultation with the community. In law this is described as the development plan documents adopted under the Planning and Compulsory Purchase Act 2004. Current core strategies or other planning policies form part of the Local Plan and are known as 'Development Plan Documents' (DPDs).

Lower Quartile

The bottom 25% value, i.e. of all the properties sold, 25% were cheaper than this value and 75% were more expensive. The lower quartile price is used as an entry level price and is the recommended level used to evaluate affordability; for example for first time buyers.

Lower Quartile Affordability Ratio

The Lower Quartile Affordability Ratio reflects the relationship between Lower Quartile Household Incomes and Lower Quartile House Prices, and is a key indicator of affordability of market housing for people on relatively low incomes.

Market Housing

Market housing is housing which is built by developers (which may be private companies or housing associations, or Private Registered Providers), for the purposes of sale (or rent) on the open market.

Mean (Average)

The mean or the average is, mathematically, the sum of all values divided by the total number of values. This is the more commonly used "average" measure as it includes all values, unlike the median.

Median

The middle value, i.e. of all the properties sold, half were cheaper and half were more expensive. This is sometimes used instead of the mean average as it is not subject to skew by very large or very small statistical outliers.

Median Affordability Ratio

The Lower Quartile Affordability Ratio reflects the relationship between Median Household Incomes and Median House Prices, and is a key indicator of affordability of market housing for people on middle-range incomes.

Mortgage Ratio

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years⁵⁵, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

Neighbourhood Development Order (NDO)

An NDO will grant planning permission for a particular type of development in a particular area. This could be either a particular development, or a particular class of development (for example retail or housing). A number of types of development

⁵⁵ See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

will be excluded from NDOs, however. These are minerals and waste development, types of development that, regardless of scale, always need Environmental Impact Assessment, and Nationally Significant Infrastructure Projects.

Neighbourhood plan

A plan prepared by a Parish or Town Council or Neighbourhood Forum for a particular neighbourhood area (made under the Planning and Compulsory Purchase Act 2004).

Older People

People over retirement age, including the active, newly-retired through to the very frail elderly, whose housing needs can encompass accessible, adaptable general needs housing for those looking to downsize from family housing and the full range of retirement and specialised housing for those with support or care needs.

Output Area/Lower Super Output Area/Middle Super Output Area

An output area is the lowest level of geography for publishing statistics, and is the core geography from which statistics for other geographies are built. Output areas were created for England and Wales from the 2001 Census data, by grouping a number of households and populations together so that each output area's population is roughly the same. 175,434 output areas were created from the 2001 Census data, each containing a minimum of 100 persons with an average of 300 persons. Lower Super Output Areas consist of higher geographies of between 1,000-1,500 persons (made up of a number of individual Output Areas) and Middle Super Output Areas are higher than this, containing between 5,000 and 7,200 people, and made up of individual Lower Layer Super Output Areas. Some statistics are only available down to Middle Layer Super Output Area level, meaning that they are not available for individual Output Areas or parishes.

Overcrowding

There is no single agreed definition of overcrowding, however, utilising the Government's bedroom standard, overcrowding is deemed to be in households where there is more than one person in the household per room (excluding kitchens, bathrooms, halls and storage areas). As such, a home with one bedroom and one living room and one kitchen would be deemed overcrowded if three adults were living there.

Planning Condition

A condition imposed on a grant of planning permission (in accordance with the Town and Country Planning Act 1990) or a condition included in a Local Development Order or Neighbourhood Development Order.

Planning Obligation

A legally enforceable obligation entered into under section 106 of the Town and Country Planning Act 1990 to mitigate the impacts of a development proposal.

Purchase Threshold

Purchase thresholds are calculated by netting 10% off the entry house price to reflect purchase deposit. The resulting cost is divided by 4 to reflect the standard household income requirement to access mortgage products.

Proportionate and Robust Evidence

Proportionate and robust evidence is evidence which is deemed appropriate in scale, scope and depth for the purposes of neighbourhood planning, sufficient so as to meet the Basic Conditions, as well as robust enough to withstand legal challenge. It is referred to a number of times in the PPG and its definition and interpretation relies on the judgement of professionals such as Neighbourhood Plan Examiners.

Private Rented

The Census tenure private rented includes a range of different living situations in practice, such as private rented/ other including households living "rent free". Around 20% of the private rented sector are in this category, which will have included some benefit claimants whose housing benefit at the time was paid directly to their landlord. This could mean people whose rent is paid by their employer, including some people in the armed forces. Some housing association tenants may also have been counted as living in the private rented sector because of confusion about what a housing association is.

Retirement Living or Sheltered Housing

Housing for older people which usually consists of purpose-built flats or bungalows with limited communal facilities such as a lounge, laundry room and guest room. It does not generally provide care services, but provides some support to enable residents to live independently. This can include 24 hour on-site assistance (alarm) and a warden or house manager.

Residential Care Homes and Nursing Homes

Housing for older people comprising of individual rooms within a residential building and provide a high level of care meeting all activities of daily living. They do not usually include support services for independent living. This type of housing can also include dementia care homes.

Rightsizing

Households who wish to move into a property that is a more appropriate size for their needs can be said to be rightsizing. This is often used to refer to older households who may be living in large family homes but whose children have left, and who intend to rightsize to a smaller dwelling. The popularity of this trend is debatable as ties to existing communities and the home itself may outweigh issues of space. Other factors, including wealth, health, status and family circumstance also need to be taken into consideration, and it should not be assumed that all older households in large dwellings wish to rightsize.

Rural Exception Sites

Small sites used for affordable housing in perpetuity where sites would not normally be used for housing. Rural exception sites seek to address the needs of the local community by accommodating households who are either current residents or have an existing family or employment connection. Small numbers of market homes may be allowed at the local authority's discretion, for example where essential to enable the delivery of affordable dwellings without grant funding.

Shared Ownership

Housing where a purchaser part buys and part rents from a housing association or local authority. Typical purchase share is between 25% and 75%, and buyers are encouraged to buy the largest share they can afford. Generally applies to new build properties, but re-sales occasionally become available. There may be an opportunity to rent at intermediate rent level before purchasing a share in order to save/increase the deposit level

Sheltered Housing⁵⁶

Sheltered housing (also known as retirement housing) means having your own flat or bungalow in a block, or on a small estate, where all the other residents are older people (usually over 55). With a few exceptions, all developments (or 'schemes') provide independent, self-contained homes with their own front doors. There are many different types of scheme, both to rent and to buy. They usually contain between 15 and 40 properties, and range in size from studio flats (or 'bedsits') through to 2 and 3 bed roomed. Properties in most schemes are designed to make life a little easier for older people - with features like raised electric sockets, lowered worktops, walk-in showers, and so on. Some will usually be designed to accommodate wheelchair users. And they are usually linked to an emergency alarm service (sometimes called 'community alarm service') to call help if needed. Many schemes also have their own 'manager' or 'warden', either living on-site or nearby, whose job is to manage the scheme and help arrange any services residents need. Managed schemes will also usually have some shared or communal facilities such as a lounge for residents to meet, a laundry, a guest flat and a garden.

Strategic Housing Land Availability Assessment

A Strategic Housing Land Availability Assessment (SHLAA) is a document prepared by one or more local planning authorities to establish realistic assumptions about the availability, suitability and the likely economic viability of land to meet the identified need for housing over the Plan period. SHLAAs are sometimes also called LAAs (Land Availability Assessments) or HELAAs (Housing and Economic Land Availability Assessments) so as to integrate the need to balance assessed housing and economic needs as described below.

Strategic Housing Market Assessment (NPPF Definition)

A Strategic Housing Market Assessment (SHMA) is a document prepared by one or more local planning authorities to assess their housing needs under the 2012 version of the NPPF, usually across administrative boundaries to encompass the whole

⁵⁶ See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

housing market area. The NPPF makes clear that SHMAs should identify the scale and mix of housing and the range of tenures the local population is likely to need over the Plan period. Sometimes SHMAs are combined with Economic Development Needs Assessments to create documents known as HEDNAs (Housing and Economic Development Needs Assessments).

Specialist Housing for the Elderly

Specialist housing for the elderly, sometimes known as specialist accommodation for the elderly, encompasses a wide range of housing types specifically aimed at older people, which may often be restricted to those in certain older age groups (usually 55+ or 65+). This could include residential institutions, sometimes known as care homes, sheltered housing, extra care housing, retirement housing and a range of other potential types of housing which has been designed and built to serve the needs of older people, including often providing care or other additional services. This housing can be provided in a range of tenures (often on a rented or leasehold basis).

Social Rented Housing

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.⁵⁷

⁵⁷ See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

